USDA Procedure for Review of the American Recovery and Reinvestment Act Section 1512 Recipient Reported Information

1. PURPOSE

To document the procedures, requirements and responsibilities for review of American Recovery and Reinvestment Act (ARRA) recipient reports submitted to USDA by recipients of ARRA awards. The documented procedures are intended to be applied consistently across all agency programs administering Recovery Act funds.

2. BACKGROUND

ARRA requires recipients of ARRA resources to report information on funded projects and activities. As envisioned by the Act, recipient reporting through FederalReporting.gov with public access through Recovery.gov ensures that the goals of transparency and accountability are met. This is achieved by public posting of quarterly reported information to the Federal Recovery.gov site. Prior to public posting of recipient information, data must be reviewed in accordance with assigned data quality responsibilities during a clearly defined reporting cycle.

3. SCOPE AND APPLICABILITY

This procedure implements the requirements of Section 1512 of ARRA. Section 1512 governs reporting of information to the Federal Government by recipients of Recovery Act funds. This procedure applies to organizations that administer and oversee USDA contracts, grants and loans which meet Section 1512 reporting criteria.

1. USDA will conduct a limited review of recipient reported information for the USDA Recovery Act-funded programs. That review will take place during the agency review period (days 21 through 29) established by the Recovery, Accountability and Transparency Board (RATB) and OMB. The review cycle which will be followed is defined in figure 1.

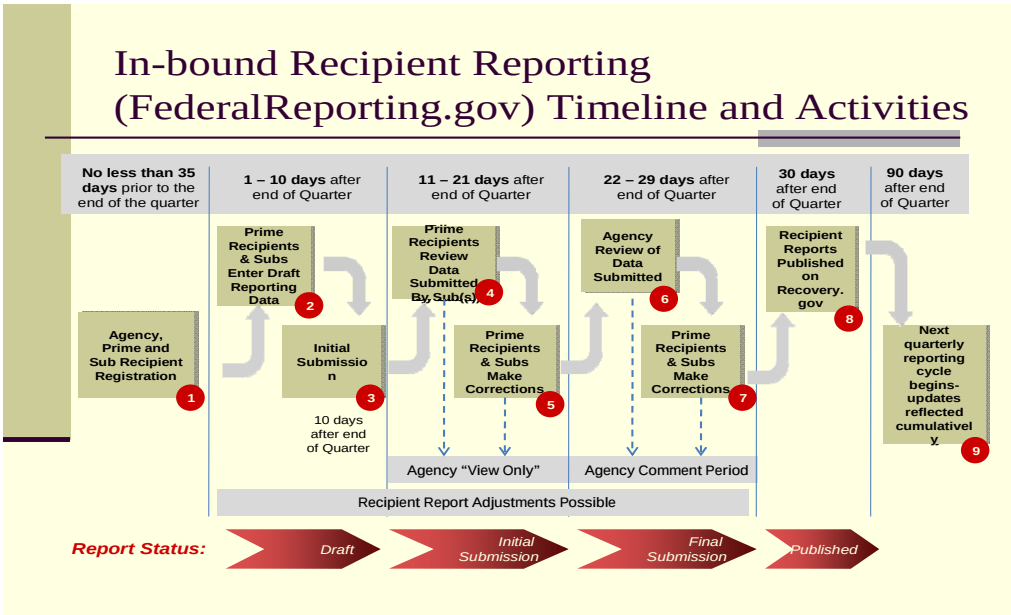

Figure 1: Recipient Reporting/Review Timeline

2. The RATB and OMB have focused the limited Federal review on two areas of emphasis: material omissions and significant errors. Material omissions and significant errors are defined in Section 6 - Definitions.

3. Section 1512 of ARRA delineates recipient report content. Section 1512 reported information defines:

- Who is receiving ARRA dollars and in what amounts;
- What projects are being funded;
- The completion status of projects; and
- The impact the projects have on job creation and retention.

Specific Section 1512 data elements are defined in OMB's "Recipient Data Reporting Model V3" (see Section 8 of this guidance, supplemental resources). The model's data fields address financial progress, economic impact, project information, project completion status and sub-recipient information.

4. OMB's Section 1512 reporting implementing guidance assigns multiple levels of data quality responsibility.[1]

- Prime recipients – Prime recipients are deemed the "owners" of reported data. They must prepare and review project-reported information for completeness and accuracy. Prime recipients are responsible for providing timely, complete and accurate data to the central reporting solution, Reporting.gov. Prime recipients are also responsible for data reported by any sub-recipients involved;
- Sub-recipients – Funded projects may involve sub-recipients to execute specific activities of ARRA-related projects. Sub-recipients may be delegated reporting responsibility to FederalReporting.gov by the prime recipients. While sub-recipients are responsible for the quality of the information they submit, prime recipients ultimately must ensure the accuracy and completeness of all data submitted to FederalReporting.gov; and
- Federal Agencies/Departments – Federal agencies are responsible for providing advice and programmatic assistance to recipients. They also are required to review recipient-reported data. The scope of the Federal reviews is limited to the identification of material omissions and significant errors.

5. CARRYING OUT REVIEWS – OPERATIONAL INSTRUCTIONS

5.1 Extraction of data from FederalReporting.gov

Agency-specific recipient submission data will be supplied by FederalReporting.gov via an XML data feed and a delimited Microsoft Excel file beginning on the 11th day after quarter end. The file will be available daily and will provide cumulative data. It will contain the following six reports:

- Prime recipient reports;
- Prime vendor reports;
- Prime report comments;
- Sub recipient reports;
- Sub recipient vendor reports; and
- Sub recipient comments.

[1] Office of Management and Budget Memo 09-21. Implementing Guidance for the reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009 (June 22, 2009), Section 2.3.

The extracts of USDA reports will be sent to the Recipient Reporting Points of Contact[2] daily and posted to the ARRA SharePoint site[3]. The data shall be composed of all submitted recipient data received on or before the 10th day following quarter end. Extracted data will be used to assist macro (agency-wide) level and local (program) reviews defined further in Section 5.6.

5.2 Access to extracted data

The Office of the Chief Financial Officer (OCFO) will extract data for agency analysis on day 11 of the reporting period and each weekday thereafter until the 29th day. Agencies will compare the extracts to ARRA award data in their Agency systems. Data resident in other agency databases containing financial, contracts, loans and grants information should be leveraged to facilitate recipient report review.

USDA reviewers will be able to access submitted recipient data directly on FederalReporting.gov's Web site. This will facilitate the review process, enable the reviewer to indicate that an individual recipient submission has been reviewed, and initiate the recipient error notification process. With each subsequent data extract, agencies shall compare the records initially identified for further review with the latest extract to verify if the modifications requested have been made. New extracts will reflect any changes made to a record by the recipient. Guidance on this process can be found on FederalReporting.gov.

5.3 Agency data mapping, analysis and validation

Mapping: Each agency must produce a report that shows all the Recovery Act awards made cumulatively at each quarter end for each of its programs. This report may be consolidated or divided by program. These reports must map to the data elements from the data extract. They also should show the relationship of tier 1 and tier 2 data at a minimum between the extract and the agency data source. The agency should map to as many data elements on the extract as possible. A list of data elements not mapped must be provided.

Analysis: An analytical report must be produced which shows the results of the comparison of data elements between the data extract and the data elements in the agency system(s). This report will show the result of the comparison. The comparison either will indicate a match or deviation. Agencies shall submit these reports to OCFO Accountability and Transparency Team by the 25th day after quarter end as shown in Section 3 of this document. If the 25th falls on a weekend, then it is due the following Monday. Agencies shall contact recipients to comment on potential data errors, omissions and discrepancies during their respective review periods. In subsequent extracts, the agency will see any changes made by the recipient reflected in the latest data set.

Variance: Variances greater than ±10 percent should be highlighted for additional review. If an agency or program believes a greater or smaller variance is appropriate, the agency must submit a written request to OCFO with the subject "ARRA Data Quality Review Modification Request." Agencies should ask for permission to apply a different range of variance.

Agency Internal Review Procedures: Agencies will incorporate this guidance into their internal operating procedures and submit a copy of their procedures to the ARRA SharePoint site. This

[2] See list in Appendix 1
[3] https://sharepoint.egov.usda.gov/ARRA/default.aspx (Access requests go to OCFO).

process will ensure that there are no inconsistencies between Agency and Department-wide data quality review procedures.

Monitoring: OCFO will run extract reports during the review period and compare the data with agency submitted award data submitted for Federal Assistance Awards Data System and Federal Financial Accountability and Transparency Act reporting[4]. Mappings, analytical reports and modification requests will be reviewed and approved by OCFO to ensure agency compliance with the USDA data quality review guidelines set forth in this document.

5.4 Priority Data elements for review

While USDA agencies will review all recipient data, the process will focus on two tiers. Tier 1 data elements will be subject to a central, macro review across all programs, and those at regional, State, local or other appropriate level of review. The data elements included in this category are:

a) jobs reported,
b) status of project completion (percentage),
c) project expenditures, and
d) place of performance.

Some of these data elements are "dynamic" with recipient updates expected each quarter as project progress continues. The review of Tier 1 data elements will identify missing reports, missing elements, clear anomalies and reported information which exceed pre-established upper and lower end thresholds. The thresholds will be used to identify outliers (as suggested in Section 4.3 of the ARRA Reporting Guidance). The thresholds for the four priority Tier I data elements are as follows:

Data element	***Thresholds (Upper/Lower)***
Jobs	Jobs reported which exceed more than one job/$25,000 expended by ±10 percent
Project status	Percentage of expended funds exceeds. estimated project completion (expressed as a percentage)
Project expenditures	Discrepancies between amounts obligated and expenditures for the project
Place of performance	Location of applicant and place of performance zip code differ in FederalReporting.gov from data in agency and program systems.

Recipient reported information which falls outside the thresholds above are candidates for further examination by program and regional reviewers. The reviewers determine whether the reported information may contain significant errors. Follow up with reporters by program or regional staff may be necessary to make that final determination.

There may be cases where the project's place of performance spans multiple zip codes, agencies should follow the same procedure used in reporting their Agency's Federal Assistance Awards Data System (FAADS)/Federal Financial Accountability and Transparency Act (FFATA)

[4] Agencies currently report this information bi-weekly in accordance with Federal Assistance Awards Data System and the Federal Financial Accountability and Transparency Act requirements.

files to the National Finance Center. .

Tier 2 data will be reviewed by each program for completeness, clear anomalies, and obvious errors. Over time, much of the Tier 2 data will remain "static" or unchanged. This includes recipient address information and award information (see OMB Memo 09-21, Section 2.3, and attachment 1). Once these data have been reviewed during the first quarter of reporting, the need for reviews of Tier II data may diminish because the reports are cumulative and these data elements are not expected to change quarter to quarter.

5.5 Macro reviews conducted on extracted data

Agencies shall conduct a review of extracted data and identify exceptions for Tier I data elements.

For the first reporting period, the following analysis should be done:

- Omissions – identification of missing reports based on a comparison of known USDA grants, loans and contracts instruments with recipient reported information. Identify missing data fields – the FederalReporting.gov solution also screens for missing data fields before acceptance of recipient reported information;
- Incorrect award/agency codes – identification of incorrect USDA grant, loan and contract codes. This includes agency identification codes, award numbers and Catalog of Federal Domestic Assistance (CFDA) numbers among others; and
- Total expenditures and obligations comparison – identification of projects with reported expenditures exceeding obligated project amounts.

OCFO will provide daily extracts for agency review as delimited and XML files. Agencies will establish a method for matching data elements in the extract file with their awards databases to facilitate and expedite the data quality review process. Please see Appendix 2 for a sample of the extract.

5.6 Agency reviews

Each agency administering Recovery Act funds will organize specific reviews of Section 1512 data that support program performance responsibilities. To follow is a suggested methodology for agencies to follow:

Process Day	Responsible Lead	Task
Day 11-21	OCFO	• Pulls daily extract of recipient reporting data and sends to agency points of contact (POC). • Post Extracts on ARRA SharePoint site • Identify records erroneously assigned to USDA and post misdirected reports to OMB MAX
Day 11-21	ARRA funded Program POC/Agency Reviewers	• Determine if there are missing reports: Compare submitted reports with program data on outstanding loans/grants/contracts for absence of prime recipient reports. • Compare number of reported sub-recipient grants (per prime recipient) to number of sub-recipient

		reports to OMB or number reported by prime recipient (depending on whether prime recipients are/are not providing sub-recipient data). • Compare submitted data with program system data and identify anomalies. • Mark records reviewed in FederalReporitng.gov. See Chapter 12, page 32 of the FederalReporting.gov manual in the Downloads section of the site. • Flag anomalies for remediation (includes data element and calculation comparisons) through the report comment feature on FederalReporting.gov • Work with recipients to resolve material omissions or significant errors.
Day 22-25	OCFO/ARRA funded Program POC	• Compare submitted data with program list of outstanding loans/grants/contracts for absence of reports. • Compare Day 22 data with (remediate) agency program system data to produce an exception report. • Evaluate exception reports and statistical analysis/anomalies. • Agencies: Prepare report on results of review and send to agency officials.

5.7 A-123 Review of Recovery Act transactions

A-123 testing will do limited re-performance of the Agency Review Process listed in section 5.6 above.

6. DEFINITIONS

CCR: The Central Contractor Registration (CCR) is the primary contractor database for the U.S. Federal Government. CCR collects, validates, stores and disseminates data in support of agency acquisition missions.

CCR MPIN: A Marketing Partner Identification Pin (MPIN) is a password created by a user in CCR. MPIN allows the user to access other Government systems such as the Past Performance Information Retrieval System. This nine-character alphanumeric code must include at least one alpha and one numeric character, with no spaces.

Data Quality: Steps considered to improve accuracy, completeness and timely reporting of information. The data quality reviews as defined for Recovery Act funding are intended to emphasize the avoidance of two key data problems – material omissions and significant reporting errors.

D-U-N-S number: Dun & Bradstreet maintains a business database containing information on more than 100 million businesses worldwide. This unique 9-digit identification number represents each physical location of a business organization.

Job Created: A new position created and filled or an existing unfilled position filled because of the Recovery Act.

Job Retained: An existing position that would not have been continued to be filled were it not for Recovery Act funding.

Material Omission: Instances where required data are not reported or reported information is not otherwise responsive to the data requests. Such an omission causes a significant risk that the public is not fully informed of the status of a Recovery Act project or activity.

Prime recipients: A non-Federal entity that receives Recovery Act funding as Federal awards in the form of grants, loans, or cooperative agreements directly from the Federal Government.

Significant Reporting Error: Instances were required data is not reported accurately. Such erroneous reporting results in significant risk that the public will be misled or confused by the recipient report in question.

Sub-recipient: A non-Federal entity that expends Federal Recovery Act awards from another entity to execute a Federal program. This status excludes any individual who is a beneficiary of such a program.

Vendor: A dealer, distributor or merchant or other seller providing goods or services required for the conduct of a Federal program.

www.FederalReporting.gov: The vehicle by which all information required by Section 1512 must be submitted. This recipient reporting solution allows recipients to enter data through custom software systems extracted in XML. This solution gives recipients and Federal agencies the ability to register for the site and manage their accounts; submit reports; view and comment on reports; and, update or correct reports when appropriate. It allows for three methods of submission: online data entry in a Web browser, Excel spreadsheet, or an XML extract.

www.Recovery.gov: The repository by which the recipient reporting will be made available to

the public.

7. ERROR NOTIFICATION PROCESS

Step 1: After reviewing recipient reported information (starting day 21 of the reporting period), each program, with program counterparts (if applicable), will compile a list of material omissions and potential significant errors. Where a material omission or potential significant error has been identified during the Federal review period, the program representative/regional counterpart must alert the relevant recipient of the nature of the potential problem identified through the Reporting.gov solution.

Step 2: Agencies, using the Data Extract Report as the foundation for the comparison, will mark records where issues have been identified. The agency must ensure that for each record that contains an error or omission, a comment has been made on the report by the Agency Reviewer in USDA to the recipient in FederalReporting.gov. This will be reflected in the data extract in the comments files.

Step 3: The purpose of tracking these discrepancies is to ensure USDA resolves data issues. Through the comment period, the Agency reviewer addresses the discrepancies through the comment feature on FederalReporting.gov. The recipient receives the comment notification via email and enters FederalReporting.gov to make changes or explain the anomaly. These changes would be reflected in the subsequent Data Extract. Agencies must compare their initial file that indicates discrepancies with subsequent data extract files to ensure that the discrepancies identified have been fixed.

Further instructions for identifying records for comment by the USDA can be found on FederalReporting.gov.

Step 4: The compiled lists of omissions and potential errors and the notification status of each should be posted in the ARRA SharePoint site by day 25 of the

reporting period.

Step 5: OCFO will prepare a consolidated USDA master list of all identified material omissions/potential significant errors and notification status for review by the Department of Agriculture Recovery Team (DART).

Step 6: Agencies continue to work with recipients to address outstanding material omissions and significant errors so that they are corrected in the next quarterly submission.

Step 7: Agencies will identify any discrepancies resolved in the next reporting period and post these results to the ARRA SharePoint site.

7. RELATED PROCEDURES AND GUIDELINES

1. USDA programs must conduct regular quality assurance and program management reviews of information submitted by recipients of Federal dollars. These continuous processes apply to ARRA related information and reviews. Nothing in this procedure document, which defines a limited review for material omissions and significant errors to Section 1512 only data, eliminates the requirement to execute those responsibilities.

2. Good quality assurance and program management oversight will help improve the quality of submitted information before and after the Section 1512 Federal review period (days 11 through 29 of the reporting cycle). Programs and regions are encouraged to assist and guide submitters of information by identifying errors and data concerns outside the parameters of the limited review period.

3. There is an infrastructure set up to support the State recipients. The State POC is called a Recovery Act Coordinator (RAC). The RACs are supported by liaisons, or Government employees located close to the RAC. The liaisons report to the RAC during the reporting period if requested by the RAC. The liaisons contact High Volume Coordinators (HVCs) to relay any issues or concerns the RACs raise. This applies to State recipients only.

8. Supplemental Resources

1. OMB Memo 09-15: updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009 (April 3, 2009)

2. OMB Memo 09-21: Implementing Guidance for the reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009 (June 22, 2009)

3. Recipient Reporting Data Model V3, Supplement 2 to OMB Memo 09-21

4. List of Programs to be reported, Supplement 1 to OMB Memo 09-21

5. FAQs American Recovery and Reinvestment Act of 2009

9. Appendix 1: Recipient Reporting Contacts

Distribution List Name: ARRA Recipient Reporting POCs

Members:

'amy.mitchell1@wdc.usda.gov' 'amy.mitchell1@wdc.usda.gov'
Brown, Byron B -FS Byron.B.Brown@usda.gov
Carrasco, Rogelio Rogelio.Carrasco@usda.gov
DarleneF.Smith@one.usda.gov DarleneF.Smith@one.usda.gov
Davis, Patty Patty.D.Davis@usda.gov
DuVarney, Andree -NRCS Andree.DuVarney@usda.gov
'fransi.dunagan@wdc.usda.gov' 'fransi.dunagan@wdc.usda.gov'
Geldard, Theresa Theresa.Geldard@usda.gov
Gray, Quintin Quintin.Gray@usda.gov
Herchak, Regina Regina.M.Herchak@usda.gov
Hickerson, Laurie Laurie.Hickerson@usda.gov
'Joyce.Grace@fas.usda.gov' 'Joyce.Grace@fas.usda.gov'
'Kathy.Hammer@oig.usda.gov' 'Kathy.Hammer@oig.usda.gov'
'Kenneth.hill@wdc.usda.gov' 'Kenneth.hill@wdc.usda.gov'
Kessler, Terri Terri.Kessler@usda.gov
LaCorte, Loren Loren.LaCorte@usda.gov
Long, Cindy Cindy.Long@usda.gov
Lubing, Lael Lael.Lubing@usda.gov
Maras, Jim -RD Jim.Maras@usda.gov
Myers, Maeve Maeve.Myers@usda.gov
Nelson, Rob -RD Rob.Nelson@usda.gov
Pajot, Jean-Louis Jean-Louis.Pajot@usda.gov
Palmer, Patricia S -FS Patricia.S.Palmer@usda.gov
Parker, Chad -RD Chad.Parker@usda.gov
'PatriciaA.Jackson@DA.USDA.GOV''PatriciaA.Jackson@DA.USDA.GOV'
'Pete.Burr@fas.usda.gov' 'Pete.Burr@fas.usda.gov'
Raskind, Jody -RD Jody.Raskind@usda.gov
Rodgers, Lynn Lynn.Rodgers@usda.gov
Sorresso, Joseph -RD Joseph.Sorresso@usda.gov
Whitney, Tyson Tyson.Whitney@cfo.usda.gov

10. Appendix 2: Sample Recipient Reporting Data Extract:

See ARRA SharePoint Website for files and instructions.