

New Challenges in Recovery Act Reporting



John Cimral
CEO, Fedarra

About Fedarra

- Will complete our 1,000th federal report this quarter
- Serve over 100 clients
- Provide a full-service solution (not software)
- First reporter in nation every reporting period
- Retain 98% of clients quarter-to-quarter
- 100% satisfaction guarantee
- Now provide FFATA sub-award reporting services!

About Our Service

- Reduce your involvement to less than an hour
- Personal concierge will:
 - Develop and submit your report
 - Prepare thorough audit documentation
 - Respond to agency comments and auditor questions.
- All for a very reasonable price of \$599
- Telephone: 877-281-2772
- Website: www.fedarra.com

Today's Presenter - John Cimral

- Fedarra's founder and CEO
- Former CEO of two leading technology companies
- Has worked with federal agencies his entire career
- Graduate of MIT and West Point
- The veteran behind the veteran-owned business
- Leader of the Fedarra Concierge Team

Agenda

- **ARRA background and compliance**
- **New OMB M-10-34 reporting guidance**
 - Improved transparency requirements
 - “Final” reporting guidelines
 - Other reporting issues
- **Audit documentation**
- **ARRA impact on future funding**

ARRA Background

- **The Federal Funding Accountability and Transparency Act of 2006**
- **The American Recovery and Reinvestment Act of 2009 (ARRA) funds are viewed as a high audit risk**
- **Multiple oversight agencies**
 - Recovery Accountability and Transparency Board (RATB)
 - Office of Management and Budget (OMB)
 - Office of the Inspector General (OIG)
 - General Accountability Office (GAO)
 - Federal Agencies
 - State Agencies
- **Transparency makes ARRA different**

The ARRA Extras

- Quarterly reporting
- The “citizen” audit
- Extreme sensitivity to job creation
- Additional compliance criteria
 - Section 1512 - mandates quarterly reporting
 - Section 1553 – whistleblower protections
 - Section 1605 – Buy American
 - Construction, maintenance, and repair projects
 - Iron, steel and manufactured goods
 - Section 1606 – Davis-Bacon requirements
 - Prevailing wage for all laborers and mechanics
 - Section 1609 – NEPA reviews completed expeditiously
- Additional ARRA funding may trigger an A-133 Single Audit

New OMB Guidance - M-10-34

(Issued September 24, 2010)

- **Increased transparency requirements**
- **“Final” reporting guidelines**
- **Other reporting issues**
 - **Non-compliance definitions**
 - **New Federal Acquisition Regulations for contractors**
 - **The Educations Job Fund**
 - **Reporting foreign vendors**
 - **Electronic reporting exemptions**
 - **Improved data definitions**

Transparency Requirements

- **Only 25% of reports meet GAO transparency criteria (May 2010)**
- **GAO's transparency evaluation criteria**
 - General purpose of award and amendments
 - Nature of project
 - Location
 - Cost
 - % complete
 - Outcomes – planned and achieved
 - Scope (e.g. how many units impacted)

Getting ARRA Right the Last Time

- Keep your executives & board informed and involved
- Document the public benefits in the ARRA 1512 and agency reports
- Close out the award in all systems
- Validate the final job numbers
- Compile and review final supporting paperwork on Davis-Bacon, Buy American and job creation
- Archive the records
- Author an ARRA success story for local media and the Recovery Board

Non-reporter vs. Non-compliant

- **You do not need to report, if:**
 - The loan or grant is less than \$25,000
 - Federal program exempted from 1512 reporting (e.g., USDA's Single Family Housing loan program)
 - Award deobligated
 - Award cancelled or terminated
 - Extension for "Extraordinary Circumstances" (e.g., natural disaster)
 - Award is classified
 - Micropurchases made with the purchase card
 - Final report previously submitted to FederalReporting.gov
 - Other (if applicable, provide details on why reporting is not expected)

Mastering the ARRA 1512

- **General Guidelines**
 - Use complete sentences
 - Explain abbreviations
 - Follow agency guidelines
- **Award description – benefits and scope changes**
- **Quarterly Status Report**
 - Key activities accomplished
 - Measurable outcomes tied to agency guidance
 - Tell your story!
- **Job Impact Analysis**
 - Types of jobs created
 - Process used to estimate job impact – OMB M-10-08

Changes to FAR for Contractors

- Applies to contracts issued on or after July 2, 2010
- First-tier subcontractors must be included in the job estimation
- Prime recipient must submit first report within 10 days of the end of the calendar quarter in which they received the award
 - Even if no funds have been invoiced or expended!

Other Reporting Issues

- **The “Education Jobs Fund” must complete ARRA 1512**
- **Reporting foreign vendors**
- **Electronic reporting exemptions**
- **Improved data definitions**
 - **Vendor and sub-recipient totals**
- **New Recipient Reporting Data Model**
- **Agencies supposed to provide basic information to recipients**

Documentation & Audit Readiness

- **Keep a separate set of files for ARRA funded awards**
- **Start with standard contract and financial documentation**
- **Each quarter produce a single set of ARRA 1512 and agency report documentation**
 - **Separate and document roles and responsibilities**
 - **Establish a report preparation log**
 - **Give more information on the job estimation process and keep supporting documents**
 - **Explain the “judgment calls”**
 - Highly compensated
 - Infrastructure
 - Sub-award or Vendor
 - **Keep system confirmation and reviewer emails**
- **Keep records in a secure off-site facility**



ARRA's impact on future funding and reporting



Questions

Understanding Job Impact

- **Review latest OMB & agency guidance**
- **Key questions:**
 - What kind of jobs were created or retained?
 - What is considered full time?
 - Total hours worked this quarter?
 - Were they ARRA funded?
- **Validate the report and carefully review any warnings**
- **Does the answer make sense?**

Contact Us

We can help!

Fedarra

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