



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D. C. 20503

DEPUTY DIRECTOR
FOR MANAGEMENT

May 8, 2015

M-15-12

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: Beth Cobert
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SUBJECT: Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable

Background

This Memorandum provides guidance to Federal agencies on current reporting requirements pursuant to the Federal Funding Accountability and Transparency Act (FFATA) as well as new requirements that agencies must employ pursuant to the Digital Accountability and Transparency Act of 2014 (DATA Act). This Memorandum includes guidance issued by the Office of Management and Budget (OMB) and the Department of the Treasury under section 4(c) of FFATA, as amended.¹ Upon issuance, this Memorandum supersedes OMB Memoranda M-09-19, *Guidance on Data Submission under FFATA* (June 1, 2009) and Improving Data Quality for USAspending.gov (June 12, 2013).

The Administration seeks to improve the effectiveness of the Federal Government's resources through increased transparency and use of Federal spending data. By making Federal spending data more accessible, searchable, and reliable, and joining this information with other third party data sources, Federal agencies and taxpayers have an opportunity to better understand the impact of Federal funds and improve the lives of the American public.

Under this Administration, great strides have been made to inform and engage the public in the work done by the Federal Government in support of citizens. Executive departments and agencies (collectively referred to hereafter as "agencies") have devised ambitious Open Government Plans designed to increase opportunities for public engagement.² As detailed in those plans, agencies have released a considerable amount of information on Government websites, enabling the public to use it in innovative and creative ways.³

¹ Digital Accountability and Transparency Act of 2014. Pub. L. No. 113-101, 128 Stat. 1146, (codified at 31 U.S.C. 6101 note).

² Office of Management and Budget (OMB) Memorandum, M-13-13, *Open Data Policy – Managing Information and Regulatory Affairs* (<https://www.whitehouse.gov/sites/default/files/omb/memoranda/2013/m-13-13.pdf>).

³ See Exec. Order No. 13,642, 78 Fed. Reg. 28,111 (May 9, 2013), *Making Open and Machine Readable the New Default for Government Information* (<https://www.whitehouse.gov/the-press-office/2013/05/09/executive-order-making-open-and-machine-readable-new-default-government->)

In addition, the President's Management Agenda represents a comprehensive plan to deliver better, faster, and smarter services to citizens and businesses; increase quality and value in the Federal Government's core administrative functions; achieve cost savings across the government; open government-funded data and research to the public to spur innovation and economic growth; and unlock the full potential of today's Federal workforce and build the workforce we need for tomorrow. The Management Agenda reflects the Administration's commitment to build a Government that focuses on results for our customers – the American people – and draws on evidence-based practices. Our goal is to ensure that the Government wisely uses each taxpayer dollar to the maximum effect. Transparency in Federal spending data is an important step towards this goal.

To date, this Administration's spending transparency efforts have included unprecedented reporting of Federal procurement and financial assistance data, continued work to improve data quality and data standards, and release of agency-level programmatic (e.g., Data.gov) and financial data⁴ to spur innovation and data analysis. With the onset of new reporting requirements under the DATA Act,⁵ we have the opportunity to expand data-driven decision-making to further inform our Federal spending efforts.

Requirement for Agency Implementation Plans

OMB, in coordination with Treasury, will contact Federal agencies during May 2015 with specific information regarding any necessary changes to existing implementation plans required under prior OMB guidance. Agency points of contact will be Senior Accountable Officials (SAOs), or Chief Financial Officers (CFOs) where an SAO has not been identified. Plan revisions must include designation of an SAO who is a senior official in the agency with the ability to coordinate across multiple communities and Federal Lines of Business (LOBs), in accordance with M-10-06, *Open Government Directive*.

In developing their implementation plans agencies should estimate resource requirements, propose an implementation timeline, and identify any foreseeable challenges, such as competing statutory, regulatory or policy priorities, to fully implement the requirements of the DATA Act as identified in this guidance. Agencies should provide suggestions to mitigate identified challenges as well as offer recommendations for how the implementation plans will manage costs and support agency investment planning. In addition, all agencies, particularly those who are financial management Federal Shared Service Providers (FSSPs), should include specific information about anticipated costs and timelines necessary to implement this Memorandum. Agency and FSSP plans should consider existing information technology lifecycle planning, as well as requirements for collaboration with the Chief Information Officer under the Federal Information Technology Acquisition Reform Act (FITARA). For agencies moving to FSSPs, implementation plans should align with the move to the FSSP.

⁴ In February 2015, OMB published the SF 133 Report on Budget Execution and Budgetary Resources in machine-readable format. See http://www.whitehouse.gov/omb/reports_default/.

⁵ Digital Accountability and Transparency Act of 2014. Pub. L. No. 113-101, 128 Stat. 1146, (codified at 31 U.S.C. 6101 note).

For policy questions related to this Memorandum, please contact OMB at SpendingTransparency@omb.eop.gov. For technical questions about USAspending.gov, please contact Treasury at USAspending@fiscal.treasury.gov.

Attachment

ATTACHMENT

FEDERAL AGENCY GUIDANCE

I. Summary

This attachment provides guidance for agencies to carry out current transparency reporting requirements pursuant to the Federal Funding Accountability and Transparency Act (FFATA) and new reporting requirements pursuant to the Digital Accountability and Transparency Act (DATA Act). The guidance sets forth requirements for continued award-level reporting, new requirements for both agency-level and award-level reporting, and implementation of data standards for data published on USAspending.gov (or its successor site).

Digital Accountability and Transparency Act of 2014

Consistent with the Administration's efforts to increase transparency, achieve cost savings, and create a more data-driven government, the DATA Act directs the Administration to increase the availability, accuracy, and usefulness of Federal spending information. Among other requirements, the DATA Act amends the FFATA by requiring publication of agency-level financial data and establishing data standards for financial data two years after the date on which this guidance is issued.

Data-Centric Implementation Approach

In the past, the lack of interoperability between financial information systems and data sources has impeded financial transparency. Unlike past financial standardization and transparency efforts that relied on massive system changes across all agencies, the long-term implementation of new DATA Act requirements will employ an incremental, data-centric approach. This approach leverages industry standards to tag financial and award data with metadata, or structured information that describes, explains, locates, or otherwise makes it easier to retrieve data. This approach will link different kinds of financial data as well as enable users to query data across the government.

Due to the significant extent of these changes, relatively short timeframe for implementation, and absence of new appropriations for agencies to carry out this work, the Office of Management and Budget (OMB), the Department of the Treasury (Treasury), and other agencies will leverage existing practices that will better position the government to meet the statutory deadlines. For instance, agencies may meet the requirement for reporting agency-level financial data in the short run by using existing processes while other work is carried out to replace today's processes with data-centric reporting. Similarly, reporting award-level information will be facilitated through use of data sources (such as procurement data in the Federal Procurement Data System – Next Generation (FPDS-NG)) that are matched with data in other locations. This approach promotes timeliness in reporting and provides an initial solution to challenges imposed by the absence of new funding streams.

II. Requirements for Federal Agencies to Maintain Current Reporting Pursuant to FFATA

Through the statutory deadline of May 9, 2017, agencies must follow all current transparency reporting procedures for USAspending.gov as outlined in the Award Submission Portal (ASP) User Guide for financial assistance and in the Federal Acquisition Regulation (FAR) for procurement. Agencies must ensure reported data are consistent with existing government-wide regulations, such as those listed in the FAR and 2 CFR Part 200 for Federal financial assistance. Specific elements of these regulations concern the following:

- **Procurement** data, as provided to USAspending.gov from the Federal Procurement Data System (FPDS-NG or Integrated Award Environment successor), shall follow existing regulatory requirements for reporting and annual verification and validation.
- **Financial assistance** (Grants, loans, insurance, loan guarantees, cooperative agreements and other assistance) data should be submitted to the ASP using the Federal Assistance Awards Data System-PLUS (FAADS PLUS) format detailed at <https://submissions.usaspending.gov/content/documents/UserGuide.pdf>. This format is consistent with the reporting format for the Federal Assistance Award Database System (FAADS), for all financial assistance.

Agencies should report financial assistance awards to individuals in an aggregate record. An aggregate record is created by taking a group of similar records and tallying the dollars based on a specific set of data fields in order to create one summary (or aggregate) record. The fields that are not used can be left blank. All transactions included in an aggregate record should belong to the same fiscal year. Agencies also may continue to report awards below the required reporting threshold in an aggregate record.

By the statutory deadline, agency prime-level data will be in compliance with the data standards established under section 4(c) of FFATA, as amended by the DATA Act. In the interim, agencies should continue to report data to USAspending.gov under existing guidance until additional DATA Act technical guidance is issued by OMB and Treasury. Future technical guidance will provide operational guidelines describing how agencies will report these data. Any changes proposed to procurement reporting via FPDS-NG (through May 2017 and beyond) will follow appropriate rule-making procedures.

III. New Requirements for Federal Agencies Pursuant to the DATA Act

To implement the requirements pursuant to the DATA Act for additional reporting, development, and implementation of financial data standards on USAspending.gov (or its successor site), this Memorandum requires agency compliance with the following policies:

1. Make Agency-Level Financial Data Available for Publication

Pursuant to Section 3 of the DATA Act, by May 9, 2017, Treasury, in consultation with OMB, must publish a report of funds made available to, or expended by, a Federal agency or component of a Federal Agency on USAspending.gov (or its successor site). Reports should be published monthly, when practicable, but not less than quarterly.⁶ OMB and Treasury will fulfill a portion of this requirement by leveraging existing agency reporting. Concurrent with this activity:

- Agencies will continue to submit agency-level financial data to OMB and Treasury using the Treasury Government-wide Treasury Account Symbol (GTAS) system.
- OMB will continue to produce bulk, downloadable, machine-readable (e.g., XML) versions of the *OMB SF 133 Report on Budget Execution and Budgetary Resources*, and post these and other outputs on its website and the White House website. The tags and other technical characteristics in OMB's XML versions of the SF 133 reports may change as a result of work on data definitions or for other reasons.
- OMB and Treasury will make these bulk, downloadable, machine-readable versions of the SF 133 report accessible from USAspending.gov (or its successor site).

OMB and Treasury will continue to assess the viability of leveraging current data collections. Treasury's work with agencies in developing new methods to access data may necessitate future changes in agency reporting to OMB and Treasury.

Section 3 of the DATA Act also calls for reporting at the appropriations account level of obligations and outlays by program activity and by object class. OMB and agencies have undertaken a number of activities to determine how to accomplish this reporting. Working with agencies in the summer and early fall of 2014, OMB established specifications for agencies to submit object class data to OMB, tested these specifications, and successfully validated these data from several agencies, where this data underlies the President's Budget. Building off this work, OMB required all agencies to start submitting object class data to OMB in the November 2014 issuance of Circular A-11. In the summer of 2015, OMB plans to revise Circular A-11 to detail how agencies should submit program activity data to OMB. Until such time that Treasury, OMB and agencies develop a data-centric collection approach, the program activity data reported to OMB will be accessible from USAspending.gov (or its successor).

2. Implement Data Definition Standards

OMB and/or Treasury will post data definition standards in a virtual repository. On the date of this Memorandum's issuance, this repository will serve as the authoritative source for such data definition standards pursuant to the DATA Act.⁷ Any future regulatory changes that take place

⁶ Section 7 of FFATA, as amended, provides that this public disclosure requirement does not, for example, extend to information that is exempt from disclosure under the Freedom of Information Act or protected under the Privacy Act of 1974.

⁷ As of this Memorandum's issuance, data standards are available at <https://max.gov/datastandards>. OMB and/or Treasury may modify the location of such data standards and will inform Federal agencies of any such location change.

as a result of these standards will be accomplished in accordance with existing rule-making procedures and in consultation with Federal agencies with authority over procurement and financial assistance awards.

The DATA Act requires all agencies to use these data definition standards for the collection and reporting of agency-level and award-level data by two years after their issuance. Implementation efforts shall include agency efforts to modify existing agency regulatory and non-regulatory policies (if required), business processes, and, as needed, systems to support agency-level financial reporting and new data quality requirements under this Memorandum. Agencies shall modify policies, internal business processes, and/or information technology, as needed, to ensure consistent publication of agency-level and award level reporting under the DATA Act and FFATA on USAspending.gov (or its successor site).

3. Implement Data Exchange Standards

To publish Federal spending data on USAspending.gov (or its successor site), agencies will be required to provide data to Treasury under the “data-centric” approach using a standard data exchange (“DATA Act Schema”). This DATA Act Schema includes a standard taxonomy and a standard format, or “language”, for exchanging data and provides a comprehensive view of the data definition standards and their relationships to one another. Treasury has created a draft DATA Act Schema for financial data based upon a subset of U.S. Standard General Ledger (USSGL). The schema is being further developed and refined based on feedback from federal and non-federal stakeholders and additional components will be created to capture award-level data elements. The Schema can be found here <http://fedspendingtransparency.github.io/data-exchange-standard/>. The DATA Act Schema will be revised periodically to reflect statutory/regulatory changes and append additional data elements. Further, additional components of the DATA Act Schema that capture other data elements will be created in the future as needed.

Treasury is piloting the data exchange concept with select agencies and will issue further guidance and tools, such as open source code and a technical implementation guide, once the pilots are complete. Treasury will provide technical assistance to agencies as they adopt the standard exchange format and taxonomy.

IV. Requirements to Ensure Data Quality and Future Reporting Capabilities, consistent with DATA Act Implementation

To ensure the high quality of reporting on USAspending.gov (or its successor site), as well as the ability to align financial data with awards, this Memorandum requires agencies to:

1. Continue to Assign a Unique Federal Award Identification Number (FAIN) for Financial Assistance Awards.

All Federal agencies must continue to assign a unique Federal Award Identification Number (FAIN) to each financial assistance award. Once an agency assigns a FAIN and reports it to USAspending.gov, the Federal agency may not, except in limited circumstances, modify the

FAIN during the life of the award. Further, once a Federal agency assigns a FAIN, that Federal agency must ensure that the FAIN is clearly identified in all Federal award documents. As a term and condition of the award, Federal agencies must require that all recipients report subaward information by FAIN into the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Federal procurement awards continue to be subject to the requirements for uniform procurement instrument identification numbers in the Federal Acquisition Regulation (FAR) Subpart 4.16.

2. Ensure Availability of Agency-Level and Award-Level Financial Data Sourced from Agency Financial Systems and Implement Linkage between Agency Financial System(s) and Management Systems Using Award IDs.

To improve the quality of agencies' prime award-level Federal spending data required under FFATA, agencies will be required to make available financial obligation and outlay data, for both agency-level data (pursuant to Section 3(b) of FFATA, as amended) and award-level data (pursuant to Section 2(b)(1)(B) of FFATA) based on agency financial system(s).

To implement this requirement, agencies will be required to carry the prime award ID in agency financial systems, in order to link between an accounting transaction and an award. The award identification (FAIN for financial assistance and Procurement Instrument Identifiers (PIID) for procurement) serves as the key to associate data across award systems and financial systems.⁸ Agencies moving to financial management Federal Shared Service Providers (FSSPs) should consult with their FSSPs to identify appropriate timelines for inclusion in agency implementation plans required under this Memorandum.

This linkage will facilitate timely reporting of award level financial data, reduce reporting errors, and serve as the primary mechanism moving forward for associating expenditures with individual awards as required by FFATA and the DATA Act.

3. Report All Prime Financial Assistance Awards Above the Micro-Purchase Threshold on a Bi-Weekly Cycle

Currently, pursuant to FFATA, Federal agencies report, at least bi-weekly, transactions related to prime awards \$25,000 or greater. Agencies will be required to submit specific programmatic information about all financial assistance and procurement prime awards greater than the micro-purchase threshold (as defined by FAR 2.101) to USAspending.gov within two years of the date of this Memorandum. Agencies currently report all procurement awards above the micro-purchase threshold to FPDS-NG, which are made available via USAspending.gov, in accordance with current policy.

⁸ For Federal procurement, the PIID (as outlined in the Federal Acquisition Regulation) serves as the linkage between procurement and financial systems. For financial assistance awards, the FAIN serves as the linkage between financial assistance management and financial systems.