

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION ARRA
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TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 1-09

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS
STATE WORKFORCE ADMINISTRATORS
STATE AND LOCAL WORKFORCE INVESTMENT BOARDS
ALL DIRECT ETA RECIPIENTS

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: Reporting Requirements under Section 1512 of the American Recovery and Reinvestment Act of 2009

1. Purpose. To provide initial guidance on the information necessary to effectively implement the reporting requirements included in Section 1512 of the American Recovery and Reinvestment Act of 2009 (Recovery Act).

2. References.

- The American Recovery and Reinvestment Act of 2009, Public Law 111-5
- Office of Management and Budget (OMB) Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009, dated February 18, 2009 (OMB M-09-10)
- OMB Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009, dated April 3, 2009 (OMB M-09-15)
- OMB Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009 (OMB M-09-21), dated June 22, 2009.
- Training and Employment Guidance Letter (TEGL) 14-08, dated March 18, 2009: “Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act Funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009”
- TEGL 15-08, dated March 18, 2009: “American Recovery and Reinvestment Act (Recovery Act) Planning Instructions for all Current SCSEP Grantees”
- TEGL 15-08, Change 1, dated April 15, 2009: “American Recovery and Reinvestment Act (Recovery Act) Planning Instructions for all Current SCSEP Grantees, Change 1”

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- TEGL 16-08, dated March 19, 2009: “Guidance for Implementation of the Workforce Investment Act (WIA) Funding in the American Recovery and Reinvestment Act of 2009 as required by Subtitle D, Section 166, Native American Programs”
- Federal Register Notice: 74 Fed. Reg. 14824, April 1, 2009: “Information Collection Activities: Proposed Collection; Comment Request”
- TEGL 17-08, dated April 23, 2009: “American Recovery and Reinvestment Act (Recovery Act) Funds Financial Reporting Requirements”
- TEGL 19-08, dated April 30, 2009: “National Emergency Grants Funded with American Recovery and Reinvestment Act of 2009 Resources”
- TEGL 29-08, dated June 10, 2009: “Dun & Bradstreet (D&B) Data Universal Number System (DUNS) Number/Central Contractor Registration (CCR) Mandatory Requirement for Federal Grant Sub-recipients under the American Recovery and Reinvestment Act of 2009”

3. Background. President Barack Obama has called for an unprecedented level of transparency for how Federal dollars are being spent under the American Recovery and Reinvestment Act of 2009 (Recovery Act). As envisioned by the Recovery Act, this level of transparency is essential to drive accountability for the timely, prudent and effective spending of recovery dollars. It is therefore critical that all recipients of employment and training funds under the Recovery Act immediately prepare to implement the requirements of Section 1512 of the Recovery Act.

Section 1512 of the Recovery Act requires recipients to report on the use of Recovery Act funding, and provide detailed information, such as: total amount of funds received; the amount spent on projects and activities; a list of those projects and activities funded, including name, description, completion status and estimates of jobs created and retained; and details on subawards and other payments.

The Office of Management and Budget (OMB) issued implementing guidance which provides details on Section 1512 recipient reporting on June 22, 2009 (OMB M-09-21). The Employment and Training Administration (ETA) has synthesized this information to provide initial guidance to its grantees, including reporting requirements and data elements. *Note: this guidance complements the OMB guidance and provides customized guidance for ETA funding recipients. All funding recipients are strongly encouraged to read the full OMB guidance, http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21.pdf.* The final detailed reporting requirements, along with data entry instructions, will be posted on www.FederalReporting.gov.

Section 1512 recipient reports are an OMB requirement and must be submitted separately from the ETA 9130 financial reports (OMB No. 1205-0461). The Section 1512 recipient reports will contain detailed information about the projects and activities funded by the Recovery Act. In addition to being posted on ETA’s Web site, www.doleta.gov, the reports will also be posted on www.recovery.gov to maximize transparency and the public’s access to information about Recovery Act funded activities and projects.

Section 1512 of the Recovery Act requires recipients of Recovery Act funds to report on the use of Recovery Act funding no later than the 10th day after the end of each calendar quarter (beginning the quarter ending September 30, 2009), and prime recipients (usually states and other direct grantees) have the 11th day through the 21st day to review and

correct data. After a brief Federal agency review, DOL will post the information on its web site no later than the 30th day after the end of that quarter.

All direct recipients of ETA Recovery Act funds are required to report through a central electronic reporting solution system (portal) at www.FederalReporting.gov. Reports will contain cumulative data from inception of the grant award with the first report submitted for the quarter ending September 30, 2009, due October 10, 2009. Grantees are also required to maintain a manual version of the report for the period ending June 30, 2009.

Who Must Submit Recovery Act Recipient Reports? Nine programs administered by ETA are subject to the Recovery Act Section 1512 recipient reporting requirement:

- Employment Service/Wagner-Peyser Activities
- Senior Community Service Employment Program
- WIA Adult
- WIA Youth
- WIA Dislocated Workers
- Native American Employment and Training
- YouthBuild
- Competitively Awarded Grants
- National Emergency Grants/Health Coverage Tax Credit National Emergency Grants

Recovery Act Section 1512 recipient reports must be submitted by all prime grant recipients which in the case of ETA are usually states and direct grantees. Prime recipients may choose to delegate certain reporting requirements to sub-recipients (such as Local Workforce Areas). However, delegation to the sub-recipients does not eliminate the requirement for prime recipients to report on all 18 of the data elements for prime recipients.

Prime recipients are non-Federal entities that receive Recovery Act funding as Federal awards in the form of grants, cooperative agreements, or loans directly from the Federal Government. The prime recipient of Workforce Investment Act formula funds (WIA Adult, Dislocated Worker, and Youth) and Wagner-Peyser formula funds are the fifty states and territories. For other programs, the organization listed on the grant agreement is the prime recipient of Recovery Act funded National Emergency Grants, Senior Community Service Employment Program (SCSEP), YouthBuild Grants, and other discretionary grants, such as the forthcoming competitive grant awards for worker training and placement in high growth and emerging industry sectors, including Green Jobs, and High Growth Healthcare sectors.

A sub-recipient is a non-Federal entity that expends Federal awards received from another entity to carry out a Federal program, but does not include an individual who is a beneficiary of such a program. Sub-recipients are awarded Recovery Act funding through a legal instrument from the prime recipient to support the performance of any portion of the substantive project or program for which the prime recipient received the Recovery Act funding. For WIA formula programs, sub-recipients include all entities that receive their funds directly from a state or territory to carry out Recovery Act funded WIA activities, such as Workforce Investment Boards and Local Workforce Areas.

A vendor is defined as a dealer, distributor, merchant or other seller providing goods or services that are required for the conduct of a Federal program. Prime recipients or sub-recipients may purchase goods or services needed to carry out the project or program from

vendors. Vendors are not awarded funds by the same means as sub-recipients and are not subject to the terms and conditions of the Federal financial assistance award.

The characteristics of a vendor that make it distinct from a sub-recipient are summarized below. A vendor:

1. Provides the goods and services within normal business operations;
2. Provides similar goods or services to many different purchasers;
3. Operates in a competitive environment;
4. Provides goods or services that are ancillary to the operation of the Federal program; and
5. Is not subject to compliance requirements of the Federal program.

Prime recipients may delegate some reporting requirements to sub-recipients; however, prime recipients cannot delegate this responsibility to vendors. The policy regarding delegation of reporting by the prime recipient is further described in this guidance.

Reporting Responsibilities of Prime Recipients: The prime recipient is ultimately responsible for the reporting of all data required by Section 1512 of the Recovery Act and the OMB Guidance (OMB M-09-21). Prime recipients may delegate certain reporting requirements to their sub-recipients, as described below. In addition, the prime recipient must report three additional data elements associated with any vendors receiving funds directly from the prime recipient for any payments greater than \$25,000. The data elements are listed in Section 5 below.

Section 1512(c)(4) and the OMB Guidance allows for prime recipients to aggregate reporting on 1) sub-awards less than \$25,000; 2) sub-awards to individuals; and 3) payments to vendors less than \$25,000. Prime recipients should provide a separate aggregate dollar total for each of the three categories.

Reporting Responsibilities of Sub-Recipients : The sub-recipients may be required by the prime recipient to report the Federal Funding Accountability and Transparency Act of 2006 (FFATA) data elements required under 1512(c)(4) for payments from the prime recipient to the sub-recipient. The sub-recipient must also report one data element associated with any vendors receiving funds from the sub-recipient. Specifically, the sub-recipient must report all payments greater than \$25,000 made to a single vendor in a reporting period. Where the identified vendor receives multiple payments with at least one payment of \$25,000 or more, the total payments provided are reported in aggregate with a description of goods and/or services received.

If a sub-recipient is not delegated the responsibility to report FFATA data elements by the prime recipient or any sub-recipient vendor information, the prime and sub-recipients must develop a process by which this information will be reported to the prime recipient in sufficient time to meet the reporting deadlines.

5. What Data Must be Reported in the Recipient Report? Below are the basic reporting requirements to be reported by prime recipients, recipient vendors, sub-recipients, and sub-recipient vendors. Administrative costs are excluded from the reporting requirements. However, indirect costs should be included in total expenditures reported. The basic reporting requirements below may contain multiple data elements. A detailed description of all data elements is provided in the data dictionary contained in OMB's *Recipient Reporting Data Model*. This document is published on OMB's Web site at www.Recovery.gov as supplemental material to the OMB Guidance.

Data about the Prime Recipient

1. Federal Funding Agency Name
2. Award identification
3. Recipient DUNS
4. Parent DUNS
5. Recipient CCR information
6. Catalog of Federal Domestic Assistance (CFDA) number, if applicable (see Attachment for applicable CFDA numbers)
7. Recipient account number
8. Project/grant period
9. Award type, date, description, and amount
10. Amount of Federal Recovery Act funds expended to projects/activities
11. Activity code and description
12. Project description and status
13. Job creation narrative and number
14. Infrastructure expenditures and rationale, if applicable
15. Recipient primary place of performance
16. Recipient area of benefit
17. Recipient officer names and compensation (Top 5)
18. Total number and amount of small sub-awards; less than \$25,000

Data about Recipient Vendors

1. DUNS or Name and zip code of Headquarters (HQ)
2. Expenditure amount
3. Expenditure description

Data about Sub-Recipients (also referred to as FFATA Data Elements)

1. Sub-recipient DUNS
2. Sub-recipient CCR information
3. Sub-recipient type
4. Amount received by sub-recipient
5. Amount awarded to sub-recipient
6. Sub-award date
7. Sub-award period
8. Sub-recipient place of performance
9. Sub-recipient area of benefit
10. Sub-recipient officer names and compensation (Top 5)

Data about Sub-Recipient Vendors

1. DUNS or Name and zip code of Headquarters (HQ)

6. How Do Recipients File Reports? The information reported by all prime recipients (and those sub-recipients to which the prime recipient has delegated reporting responsibility) will be submitted through www.FederalReporting.gov.

Recipients will access the www.FederalReporting.gov Web site in order to fulfill their reporting obligations as defined by Section 1512 of the Recovery Act and by this TEGL. The www.FederalReporting.gov solution will provide recipients and Federal agencies with the ability to:

- Register for the site and manage their account(s)
- Submit, view and comment on reports if the user represents a Federal agency or prime recipient
- Update or correct reports when appropriate

The www.FederalReporting.gov Web site works in conjunction with the www.Recovery.gov Web site to provide a comprehensive solution for recipient reporting and Recovery data transparency. Recipient reports are submitted to www.FederalReporting.gov and are ultimately published on www.Recovery.gov in accordance with the recurring quarterly timeframe.

Please note that www.FederalReporting.gov is still under construction. ETA will inform grantees when the site is available for their use. The OMB recipient reporting guidance (OMB M-09-21) provides extensive user instructions for www.FederalReporting.gov. ETA grantees are encouraged to read the full guidance to familiarize themselves with the site and the detailed processes for registering, submitting, viewing, and commenting on reports, and updating or correcting reports.

7. When Do Recipients File Reports? Prime recipients must enter their data no later than the 10th day after the end of each quarter, beginning with the quarter ending September 30, 2009. The first reporting deadline for prime recipients is October 10, 2009. All data contained in each quarterly recipient report will be cumulative in order to encompass the total amount of funds expended to date. This means that reports due on October 10, 2009, will include funding and activity from February 17, 2009, (the date the Recovery Act was enacted by Congress) through September 30, 2009. Each subsequent quarterly report will also be cumulative. The report due January 10, 2010, will include the data reported through September 2009 and updated to include accumulated data for the quarter ending December 2009 (October to December). For example, October's report may have contained a project that was 25 percent completed through the end of September. If the project has completed another 25 percent by the end of December, on January 10, the prime recipient will report that the project is 50 percent completed.

Prime recipients and delegated sub-recipients will begin reporting the quarter in which an award is made to it. If awarded funds have not been received and/or expended by the prime recipients or delegated sub-recipients within the quarter the award is made or subsequent quarters, a "\$0" should be reported for the respective data elements.

8. Reporting/Review Timeline.

Registration: Before the end of the quarter, preferably no less than 35 days prior to the end of the quarter, all prime and sub-recipients must register online at www.FederalReporting.gov. Pre-registration begins on August 17, 2009. To complete registration, one must be registered in the Central Contractor Registration (CCR) database and have a Dun & Bradstreet DUNS number. Please see TEGL 29-08 for further guidance on registering with the CCR.

During days 1-10 following the end of the quarter, recipients and delegated sub-recipients prepare and enter their reporting information. During this period, the data are considered to be in pre-submission status until explicitly submitted. The data will assume the status of "submitted" and conform with the Section 1512 reporting requirements only when the reporting

entity explicitly submits it using the web site functions. Submitted reports will be viewable by the appropriate prime recipient and by ETA. Prime recipients and delegated sub-recipients that have not submitted their data reports by the end of the 10th day will be considered non-compliant with the terms and conditions of the award agreement. Grantees that encounter technical problems when submitting their report should notify their regional Federal Project Office.

During days 11-21 following the end of the quarter, prime recipients ensure that complete and accurate reporting information is provided prior to the Federal agency comment period beginning on the 22nd day, by performing a data quality review. Prime recipients are also required to verify submitted information for all Recovery funds for which they are responsible, for notifying sub-recipients of reporting errors or omissions, and for ensuring any data corrections are completed in a timely manner. Prime recipients will be responsible for coordinating with sub-recipients on any identified data corrections. To facilitate corrections, the www.FederalReporting.gov solution will provide contact information for the individual who submitted the report including e-mail contact information.

During days 22-30 following the end of the quarter, Federal agencies will review and comment on the submitted reporting information, if necessary. In the case of ETA-funded programs, this review will be performed by the Federal Project Officer personnel. Submitted reports will not be editable by prime recipients or delegated sub-recipients during this time period unless notified by the Federal agencies. The Federal agencies will perform a data quality review and will notify the recipients and delegated sub-recipients of any data anomalies or questions through the www.FederalReporting.gov solution. This notification will unlock the notated report. The original submitter must complete data corrections no later than the 29th day following the end of the quarter. No later than 30 days following the end of the quarter, detailed recipient reports are made available to the public on the www.Recovery.gov Web site. Any data issues identified beyond the date of publication will be corrected or addressed in the next quarterly report.

9. How Should Prime Recipients Manage the Reporting Process? Prime recipients are required to collect and maintain all relevant information responsive to the reporting requirements outlined in Section 1512 of the Recovery Act and this guidance, including activities for the quarter ending June 30, 2009.

Prime recipients that delegate reporting responsibilities to subrecipients must take special precautions to ensure coordinated reporting is clearly communicated, as well as closely monitored to prevent possible mistakes from occurring such as, the prime recipient and sub-recipient reporting separately on the same activity. The prime recipient is responsible for designing and implementing a process that ensures data entry accuracy and consistency. The prime recipient must maintain an updated inventory of sub-recipient delegations and cross-check all data records to make sure no reporting is occurring at the prime recipient level for instances where a delegation has occurred.

During the corrections phase of the data reporting process, additional risk for double counting emerges if multiple "users" attempt to correct the same record. The recipient reporting solution will consider the last report submitted to be the final submission.

All reports submitted pursuant to Section 1512 of the Recovery Act will be made available on www.Recovery.gov and on the ETA recovery Web site.

10. How Should Prime Recipients Ensure Data Quality? Data quality reviews required by OMB Guidance (OMB M -09-21) are intended to emphasize the avoidance of two key data problems -- material omissions and significant reporting errors.

Material omissions are defined as instances where required data is not reported or reported information is not otherwise responsive to the data requests resulting in significant risk that the public is not fully informed as to the status of a Recovery Act project or activity. An example of a material omission would be a recipient, or delegated sub-recipient, who fails to report the current percentage of completion for a project and/or an activity that has been funded by the Recovery Act. Instances in which a prime recipient or sub-recipient fails to report entirely would be considered a material omission.

Significant reporting errors are defined as those instances where required data is not reported accurately and such erroneous reporting results in significant risk that the public will be misled or confused by the recipient report in question. An example of this would be a recipient, or sub-recipient, reporting expenditures in excess of the amount awarded by the Federal funding agency, excluding funding resulting from match requirements. Prime recipients must take actions to reduce reporting errors.

Prime and sub-recipients should establish internal controls to ensure data quality, completeness, accuracy and timely reporting of all funds awarded under the Recovery Act. Data quality is the responsibility of both prime and sub-recipients. Prime and sub-recipients conducting quality reviews must determine the optimal method for detecting and correcting material omissions.

Possible approaches to this include:

- Establishing control totals (e.g., total number of projects subject to reporting, total dollars allocated to projects) and verify that reported information matches the established control totals;
- Creating an estimated distribution of expected data along a "normal" distribution curve and identify outliers;
- Establishing a data review protocol or automated process that identifies incongruous results (e.g., total amount spent on a project or activity is equal to or greater than the previous reporting); and
- Establishing procedures and/cross-validation of data to identify and/or eliminate potential "double counting" due to delegation of reporting responsibility to sub-recipients.

At this time ETA plans to review each submission for material omissions and significant reporting errors.

11. Reporting on Jobs Creation Estimates by Recipients. Prime recipients are required to report an estimate of jobs directly created or retained to administer and implement Recovery Act funded projects, activities, and contracts (e.g., workforce managers, supervisors, counselors, job coaches, etc.), as required by Section 1512(c)(3)(D) of the Recovery Act. Recipients are required to report an aggregate number for the cumulative jobs created or retained for the

quarter in a separate numeric field. Recipients are also required to provide a narrative description of the employment impact.

A job created is a new position created and filled or an existing unfilled position that is filled as a result of the Recovery Act. A job retained is an existing position that would not have been continued to be filled were it not for Recovery Act funding. A job cannot be counted as both created and retained. Only compensated employment in the United States or outlying areas should be counted¹.

The estimate of the number of jobs funded by the Recovery Act should be expressed as “full-time equivalents” (FTE), which is calculated as total hours worked in jobs created or retained divided by the number of hours in a full-time schedule, as defined by the recipient. The FTE estimates must be reported cumulatively each calendar quarter.

The requirement for reporting jobs is based on a simple calculation used to avoid overstating the number of other than full-time permanent jobs. This calculation converts part-time or temporary jobs into FTE jobs. In order to perform the calculation, the recipient will need the total number of hours worked that are funded by the Recovery Act. The recipient will also need the number of hours in a full-time schedule for a quarter. The formula for reporting can be represented as:

$$\frac{\text{Cumulative Recovery Act Hours Worked (Qtr1...n)}}{\text{Cumulative Hours in a Fulltime Schedule (Qtr1...n)}} = \text{FTE}$$

Reporting is cumulative across the project lifecycle, and will not reset at the beginning of each calendar or fiscal year. Detailed information about reporting on jobs created is provided in the OMB guidance [OMB M-09-21].

Recovery Act funded employment and training programs administered by ETA are not considered economic development activities, and are not intended to have a significant job creation component. ETA Recovery Act grantees should only report job creation/retention numbers for those individuals who are hired or retained to execute grant activities, and whose salaries are paid with Recovery Act funds. For example, employment counselors hired to perform Recovery-Act funded Wagner-Peyser Act Employment Service functions would count in the job creation calculation. **Participants in Recovery Act funded Senior Community Service Employment Program should NOT be counted as jobs created.**

ETA Recovery Act recipients must include an estimate of jobs created or retained on projects and activities managed by their funding recipients in their aggregate number and their narrative description. This information will be provided for each project and activity funded by the Recovery Act. Prime recipients are required to generate an estimate of job impact by directly collecting specific data from sub-recipients and vendors on the total FTE resulting from a sub-award. Prime recipients should collect the information from all sub-recipients and vendors in order to generate the most comprehensive and complete job impact data available.

Recipients should not attempt to report on the employment impact on central service providers (so-called “indirect” jobs) or on the local community (“induced” jobs). Employees who are not directly charged to Recovery Act supported projects/activities, which, nonetheless, provide critical indirect support, (e.g., clerical/administrative staff preparing reports, departmental

¹ See 74 Fed Reg 14824 -02 for definitions of these terms.

administrators) are NOT counted as jobs created/retained. The Council of Economic Advisers is developing a macro-economic methodology to account for the overall employment impact of the Recovery Act, including calculating those indirect and induced jobs.

In addition to providing job creation estimates by project and activity as required by the Recovery Act, as a best practice, ETA recommends that State governments post the employment impact of all Recovery funds prominently on the designated State Recovery website.

12. Technical Assistance. A series of webinars on Section 1512 recipient reporting was offered by OMB the week of July 20, 2009. The list of OMB webinars is posted on www.Recovery.gov and recordings are available. Additionally, ETA plans to provide technical assistance, training and outreach to recipients. Please check www.doleta.gov for further details.

13. Inquiries. Questions regarding this guidance should be directed to the appropriate regional office.