

## **Federal Funding Accountability and Transparency Act of 2006**

[Public Law 109–282]

[As Amended Through P.L. 117–40, Enacted September 24, 2021]

【Currency: This publication is a compilation of the text of Public Law 109–282. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>】

【Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).】

AN ACT To require full disclosure of all entities and organizations receiving Federal funds.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### **SECTION 1. [31 U.S.C. 6101 note] SHORT TITLE.**

This Act may be cited as the “Federal Funding Accountability and Transparency Act of 2006”.

### **SEC. 2. [31 U.S.C. 6101 note] FULL DISCLOSURE OF ENTITIES RECEIVING FEDERAL FUNDING.**

#### **(a) DEFINITIONS.—In this Act:**

(1) **DIRECTOR.**—The term “Director” means the Director of the Office of Management and Budget.

(2) **ENTITY.**—The term “entity”—

(A) includes, whether for profit or nonprofit—

- (i) a corporation;
- (ii) an association;
- (iii) a partnership;
- (iv) a limited liability company;
- (v) a limited liability partnership;
- (vi) a sole proprietorship;
- (vii) any other legal business entity;
- (viii) any other grantee or contractor that is not excluded by subparagraph (B) or (C); and
- (ix) any State or locality;

(B) on and after January 1, 2009, includes any subcontractor or subgrantee; and

(C) does not include—

- (i) an individual recipient of Federal assistance; or
- (ii) a Federal employee.

**Sec. 2 Federal Funding Accountability and Transparency A...****2**

(3) **FEDERAL AGENCY.**—The term “Federal agency” has the meaning given the term “Executive agency” under section 105 of title 5, United States Code.

(4) **FEDERAL AWARD.**—The term “Federal award”—

(A) means Federal financial assistance and expenditures that—

(i) include grants, subgrants, loans, awards, cooperative agreements, and other forms of financial assistance;

(ii) include contracts, subcontracts, purchase orders, task orders, and delivery orders;

(B) does not include individual transactions below \$25,000; and

(C) before October 1, 2008, does not include credit card transactions.

(5) **OBJECT CLASS.**—The term “object class” means the category assigned for purposes of the annual budget of the President submitted under section 1105(a) of title 31, United States Code, to the type of property or services purchased by the Federal Government.

(6) **PROGRAM ACTIVITY.**—The term “program activity” has the meaning given that term under section 1115(h) of title 31, United States Code.

(7) **SEARCHABLE WEBSITE.**—The term “searchable website” means a website that allows the public to—

(A) search and aggregate Federal funding by any element required by subsection (b)(1);

(B) ascertain through a single search the total amount of Federal funding awarded to an entity by a Federal award described in paragraph (2)(A)(i), by fiscal year;

(C) ascertain through a single search the total amount of Federal funding awarded to an entity by a Federal award described in paragraph (2)(A)(ii), by fiscal year; and

(D) download data included in subparagraph (A) included in the outcome from searches.

(8) **SECRETARY.**—The term “Secretary” means the Secretary of the Treasury.

(b) **IN GENERAL.**—

(1) **WEBSITE.**—Not later than January 1, 2008, the Office of Management and Budget shall, in accordance with this section, section 204 of the E-Government Act of 2002 (Public Law 107-347; 44 U.S.C. 3501 note), and the Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.), ensure the existence and operation of a single searchable website, accessible by the public at no cost to access, that includes for each Federal award—

(A) the name of the entity receiving the award;

(B) the amount of the award;

(C) information on the award including transaction type, funding agency, the North American Industry Classification System code or Catalog of Federal Domestic Assistance number (where applicable), program source, and an award title descriptive of the purpose of each funding action;

(D) the location of the entity receiving the award and the primary location of performance under the award, including the city, State, congressional district, and country;

(E) a unique identifier of the entity receiving the award and of the parent entity of the recipient, should the entity be owned by another entity;

(F) the names and total compensation of the five most highly compensated officers of the entity if—

(i) the entity in the preceding fiscal year received—

(I) 80 percent or more of its annual gross revenues in Federal awards; and

(II) \$25,000,000 or more in annual gross revenues from Federal awards; and

(ii) the public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.<sup>1</sup>

(G) any other relevant information specified by the Office of Management and Budget.

(2) SCOPE OF DATA.—The website shall include data for fiscal year 2007, and each fiscal year thereafter.

(3) DESIGNATION OF AGENCIES.—The Director is authorized to designate one or more Federal agencies to participate in the development, establishment, operation, and support of the single website. In the initial designation, or in subsequent instructions and guidance, the Director may specify the scope of the responsibilities of each such agency.

(4) AGENCY RESPONSIBILITIES.—Federal agencies shall comply with the instructions and guidance issued by the Director under paragraph (3), and shall provide appropriate assistance to the Director upon request, so as to assist the Director in ensuring the existence and operation of the single website.

(c) WEBSITE.—The website established under this section—

(1) may use as the source of its data the Federal Procurement Data System, Federal Assistance Award Data System, and Grants.gov, if all of these data sources are searchable through the website and can be accessed in a search on the website required by this Act, provided that the user may—

(A) specify such search shall be confined to Federal contracts and subcontracts;

(B) specify such search shall be confined to include grants, subgrants, loans, awards, cooperative agreements, and other forms of financial assistance;

(2) shall not be considered in compliance if it hyperlinks to the Federal Procurement Data System website, Federal Assistance Award Data System website, Grants.gov website, or other existing websites, so that the information elements required by subsection (b)(1) cannot be searched electronically by field in a single search;

<sup>1</sup> So in law. The period at the end of subparagraph (F) probably should be “; and”.

**Sec. 2 Federal Funding Accountability and Transparency A...****4**

(3) shall provide an opportunity for the public to provide input about the utility of the site and recommendations for improvements;

(4) shall be updated not later than 30 days after the award of any Federal award requiring a posting;

(5) shall provide for separate searches for Federal awards described in subsection (a) to distinguish between the Federal awards described in subsection (a)(2)(A)(i) and those described in subsection (a)(2)(A)(ii);

(6) shall have the ability to aggregate data for the categories described in paragraphs (1) through (5) without double-counting data; and

(7) shall ensure that all information published under this section is available—

(A) in machine-readable and open formats;

(B) to be downloaded in bulk; and

(C) to the extent practicable, for automated processing.

(d) SUBAWARD DATA.—

(1) PILOT PROGRAM.—

(A) IN GENERAL.—Not later than July 1, 2007, the Director shall commence a pilot program to—

(i) test the collection and accession of data about subgrants and subcontracts; and

(ii) determine how to implement a subaward reporting program across the Federal Government, including—

(I) a reporting system under which the entity issuing a subgrant or subcontract is responsible for fulfilling the subaward reporting requirement; and

(II) a mechanism for collecting and incorporating agency and public feedback on the design and utility of the website.

(B) TERMINATION.—The pilot program under subparagraph (A) shall terminate not later than January 1, 2009.

(2) REPORTING OF SUBAWARDS.—

(A) IN GENERAL.—Based on the pilot program conducted under paragraph (1), and, except as provided in subparagraph (B), not later than January 1, 2009, the Director —

(i) shall ensure that data regarding subawards are disclosed in the same manner as data regarding other Federal awards, as required by this Act; and

(ii) shall ensure that the method for collecting and distributing data about subawards under clause (i)—

(I) minimizes burdens imposed on Federal award recipients and subaward recipients;

(II) allows Federal award recipients and subaward recipients to allocate reasonable costs for the collection and reporting of subaward data as indirect costs; and

(III) establishes cost-effective requirements for collecting subaward data under block grants,

formula grants, and other types of assistance to State and local governments.

(B) **EXTENSION OF DEADLINE.**—For subaward recipients that receive Federal funds through State, local, or tribal governments, the Director may extend the deadline for ensuring that data regarding such subawards are disclosed in the same manner as data regarding other Federal awards for a period not to exceed 18 months, if the Director determines that compliance would impose an undue burden on the subaward recipient.

(e) **EXCEPTION.**—Any entity that demonstrates to the Director that the gross income, from all sources, for such entity did not exceed \$300,000 in the previous tax year of such entity shall be exempt from the requirement to report subawards under subsection (d), until the Director determines that the imposition of such reporting requirements will not cause an undue burden on such entities.

(f) **CONSTRUCTION.**—Nothing in this Act shall prohibit the Office of Management and Budget from including through the website established under this section access to data that is publicly available in any other Federal database.

(g) **REPORT.**—

(1) **IN GENERAL.**—The Director shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives an annual report regarding the implementation of the website established under this section.

(2) **CONTENTS.**—Each report submitted under paragraph (1) shall include—

(A) data regarding the usage and public feedback on the utility of the site (including recommendations for improving data quality and collection);

(B) an assessment of the reporting burden placed on Federal award and subaward recipients; and

(C) an explanation of any extension of the subaward reporting deadline under subsection (d)(2)(B), if applicable.

(3) **PUBLICATION.**—The Director shall make each report submitted under paragraph (1) publicly available on the website established under this section.

### **SEC. 3. [31 U.S.C. 6101 note] FULL DISCLOSURE OF FEDERAL FUNDS.**

(a) **IN GENERAL.**—Not less frequently than monthly when practicable, and in any event not less frequently than quarterly, the Secretary (in consultation with the Director and, with respect to information described in subsection (b)(2), the head of the applicable Federal agency) shall ensure that updated information with respect to the information described in subsection (b) is posted on the website established under section 2.

(b) **INFORMATION TO BE POSTED.**—

(1) **FUNDS.**—For any funds made available to or expended by a Federal agency or component of a Federal agency, the information to be posted shall include—

(A) for each appropriations account, including an expired or unexpired appropriations account, the amount—

**Sec. 3 Federal Funding Accountability and Transparency A...****6**

- (i) of budget authority appropriated;
  - (ii) that is obligated;
  - (iii) of unobligated balances; and
  - (iv) of any other budgetary resources;
- (B) from which accounts and in what amount—
  - (i) appropriations are obligated for each program activity; and
  - (ii) outlays are made for each program activity;
- (C) from which accounts and in what amount—
  - (i) appropriations are obligated for each object class; and
  - (ii) outlays are made for each object class; and
- (D) for each program activity, the amount—
  - (i) obligated for each object class; and
  - (ii) of outlays made for each object class.
- (2) BUDGET JUSTIFICATIONS.—
  - (A) DEFINITIONS.—In this paragraph—
    - (i) the term “budget justification materials” means the annual budget justification materials of a Federal agency, or a component of a Federal agency, that are submitted, in conjunction with the budget of the United States Government submitted under section 1105(a) of title 31, United States Code; and
    - (ii) the term “open Government data asset” has the meaning given that term in section 3502 of title 44, United States Code.
  - (B) INFORMATION.—The information to be posted—
    - (i) shall include any budget justification materials—
      - (I) for the second fiscal year beginning after the date of enactment of this paragraph, and each fiscal year thereafter; and
      - (II) to the extent practicable, that were released for any fiscal year before the date of enactment of this paragraph; and
    - (ii) shall not include budget justification materials the disclosure of which is prohibited by law, that are classified, or that are exempt from disclosure under section 552(b) of title 5, United States Code.
  - (C) FORMAT.—Budget justification materials shall be posted under subparagraph (B)—
    - (i) as an open Government data asset;
    - (ii) in a manner that enables users to download individual reports, download all reports in bulk, and download in bulk the results of a search, to the extent practicable; and
    - (iii) in a structured data format, to the extent practicable.
  - (D) DEADLINE.—The budget justification materials required to be posted under subparagraph (B)(i) shall be posted not later than 2 weeks after the date on which the budget justification materials are first submitted to Congress.

(E) **RULE OF CONSTRUCTION.**—Nothing in this paragraph shall be construed to authorize a Federal agency, or a component of a Federal agency, to destroy any budget justification materials relating to a fiscal year before the fiscal year described in subparagraph (B)(i).

**SEC. 4. [31 U.S.C. 6101 note] DATA STANDARDS.**

(a) **IN GENERAL.**—

(1) **ESTABLISHMENT OF STANDARDS.**—The Secretary and the Director, in consultation with the heads of Federal agencies, shall establish Government-wide financial data standards for any Federal funds made available to or expended by Federal agencies and entities receiving Federal funds.

(2) **DATA ELEMENTS.**—The financial data standards established under paragraph (1) shall include common data elements for financial and payment information required to be reported by Federal agencies and entities receiving Federal funds.

(b) **REQUIREMENTS.**—The data standards established under subsection (a) shall, to the extent reasonable and practicable—

(1) incorporate widely accepted common data elements, such as those developed and maintained by—

(A) an international voluntary consensus standards body;

(B) Federal agencies with authority over contracting and financial assistance; and

(C) accounting standards organizations;

(2) incorporate a widely accepted, nonproprietary, searchable, platform-independent computer-readable format;

(3) include unique identifiers for Federal awards and entities receiving Federal awards that can be consistently applied Government-wide;

(4) be consistent with and implement applicable accounting principles;

(5) be capable of being continually upgraded as necessary;

(6) produce consistent and comparable data, including across program activities; and

(7) establish a standard method of conveying the reporting period, reporting entity, unit of measure, and other associated attributes.

(c) **DEADLINES.**—

(1) **GUIDANCE.**—Not later than 1 year after the date of enactment of the Digital Accountability and Transparency Act of 2014, the Director and the Secretary shall issue guidance to Federal agencies on the data standards established under subsection (a).

(2) **AGENCIES.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B), not later than 2 years after the date on which the guidance under paragraph (1) is issued, each Federal agency shall report financial and payment information data in accordance with the data standards established under subsection (a).

**Sec. 5 Federal Funding Accountability and Transparency A...****8**

(B) NONINTERFERENCE WITH AUDITABILITY OF DEPARTMENT OF DEFENSE FINANCIAL STATEMENTS.—

(i) IN GENERAL.—Upon request by the Secretary of Defense, the Director may grant an extension of the deadline under subparagraph (A) to the Department of Defense for a period of not more than 6 months to report financial and payment information data in accordance with the data standards established under subsection (a).

(ii) LIMITATION.—The Director may not grant more than 3 extensions to the Secretary of Defense under clause (i).

(iii) NOTIFICATION.—The Director of the Office of Management and Budget shall notify the Committee on Homeland Security and Governmental Affairs and the Committee on Armed Services of the Senate and the Committee on Oversight and Government Reform and the Committee on Armed Services of the House of Representatives of—

- (I) each grant of an extension under clause (i); and
- (II) the reasons for granting such an extension.

(3) WEBSITE.—Not later than 3 years after the date on which the guidance under paragraph (1) is issued, the Director and the Secretary shall ensure that the data standards established under subsection (a) are applied to the data made available on the website established under section 2.

(d) CONSULTATION.—The Director and the Secretary shall consult with public and private stakeholders in establishing data standards under this section.

**SEC. 5. [31 U.S.C. 6101 note] SIMPLIFYING FEDERAL AWARD REPORTING.**

(a) IN GENERAL.—The Director, in consultation with relevant Federal agencies, recipients of Federal awards, including State and local governments, and institutions of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)), shall review the information required to be reported by recipients of Federal awards to identify—

- (1) common reporting elements across the Federal Government;
- (2) unnecessary duplication in financial reporting; and
- (3) unnecessarily burdensome reporting requirements for recipients of Federal awards.

(b) PILOT PROGRAM.—

(1) ESTABLISHMENT.—Not later than 1 year after the date of enactment of the Digital Accountability and Transparency Act of 2014, the Director, or a Federal agency designated by the Director, shall establish a pilot program (in this section referred to as the “pilot program”) with the participation of appropriate Federal agencies to facilitate the development of recommendations for—

- (A) standardized reporting elements across the Federal Government;



(B) the elimination of unnecessary duplication in financial reporting; and

(C) the reduction of compliance costs for recipients of Federal awards.

(2) REQUIREMENTS.—The pilot program shall—

(A) include a combination of Federal contracts, grants, and subawards, the aggregate value of which is not less than \$1,000,000,000 and not more than \$2,000,000,000;

(B) include a diverse group of recipients of Federal awards; and

(C) to the extent practicable, include recipients who receive Federal awards from multiple programs across multiple agencies.

(3) DATA COLLECTION.—The pilot program shall include data collected during a 12-month reporting cycle.

(4) REPORTING AND EVALUATION REQUIREMENTS.—Each recipient of a Federal award participating in the pilot program shall submit to the Office of Management and Budget or the Federal agency designated under paragraph (1), as appropriate, any requested reports of the selected Federal awards.

(5) TERMINATION.—The pilot program shall terminate on the date that is 2 years after the date on which the pilot program is established.

(6) REPORT TO CONGRESS.—Not later than 90 days after the date on which the pilot program terminates under paragraph (5), the Director shall submit to the Committee on Homeland Security and Governmental Affairs and the Committee on the Budget of the Senate and the Committee on Oversight and Government Reform and the Committee on the Budget of the House of Representatives a report on the pilot program, which shall include—

(A) a description of the data collected under the pilot program, the usefulness of the data provided, and the cost to collect the data from recipients; and

(B) a discussion of any legislative action required and recommendations for—

(i) consolidating aspects of Federal financial reporting to reduce the costs to recipients of Federal awards;

(ii) automating aspects of Federal financial reporting to increase efficiency and reduce the costs to recipients of Federal awards;

(iii) simplifying the reporting requirements for recipients of Federal awards; and

(iv) improving financial transparency.

(7) GOVERNMENT-WIDE IMPLEMENTATION.—Not later than 1 year after the date on which the Director submits the report under paragraph (6), the Director shall issue guidance to the heads of Federal agencies as to how the Government-wide financial data standards established under section 4(a) shall be applied to the information required to be reported by entities receiving Federal awards to—

(A) reduce the burden of complying with reporting requirements; and

**Sec. 6**                      **Federal Funding Accountability and Transparency A...**                      **10**

(B) simplify the reporting process, including by reducing duplicative reports.

**SEC. 6. [31 U.S.C. 6101 note] ACCOUNTABILITY FOR FEDERAL FUNDING.**

**(a) INSPECTOR GENERAL REPORTS.—**

(1) **IN GENERAL.**—In accordance with paragraph (2), the Inspector General of each Federal agency, in consultation with the Comptroller General of the United States, shall—

(A) review a statistically valid sampling of the spending data submitted under this Act by the Federal agency; and

(B) submit to Congress and make publically available a report assessing the completeness, timeliness, quality, and accuracy of the data sampled and the implementation and use of data standards by the Federal agency.

**(2) DEADLINES.—**

(A) **FIRST REPORT.**—Not later than 18 months after the date on which the Director and the Secretary issue guidance to Federal agencies under section 4(c)(1), the Inspector General of each Federal agency shall submit and make publically available a report as described in paragraph (1).

(B) **SUBSEQUENT REPORTS.**—On the same date as the Inspector General of each Federal agency submits the second and fourth reports under sections 3521(f) and 9105(a)(3) of title 31, United States Code, that are submitted after the report under subparagraph (A), the Inspector General shall submit and make publically available a report as described in paragraph (1). The report submitted under this subparagraph may be submitted as a part of the report submitted under section 3521(f) or 9105(a)(3) of title 31, United States Code.

**(b) COMPTROLLER GENERAL REPORTS.—**

(1) **IN GENERAL.**—In accordance with paragraph (2) and after a review of the reports submitted under subsection (a), the Comptroller General of the United States shall submit to Congress and make publically available a report assessing and comparing the data completeness, timeliness, quality, and accuracy of the data submitted under this Act by Federal agencies and the implementation and use of data standards by Federal agencies.

(2) **DEADLINES.**—Not later than 30 months after the date on which the Director and the Secretary issue guidance to Federal agencies under section 4(c)(1), and every 2 years thereafter until the date that is 4 years after the date on which the first report is submitted under this subsection, the Comptroller General of the United States shall submit and make publically available a report as described in paragraph (1).

**(c) RECOVERY ACCOUNTABILITY AND TRANSPARENCY BOARD DATA ANALYSIS CENTER.—**

(1) **IN GENERAL.**—The Secretary may establish a data analysis center or expand an existing service to provide data, analytic tools, and data management techniques to support—

(A) the prevention and reduction of improper payments by Federal agencies; and

(B) improving efficiency and transparency in Federal spending.

(2) DATA AVAILABILITY.—The Secretary shall enter into memoranda of understanding with Federal agencies, including Inspectors General and Federal law enforcement agencies—

(A) under which the Secretary may provide data from the data analysis center for—

(i) the purposes set forth under paragraph (1);

(ii) the identification, prevention, and reduction of waste, fraud, and abuse relating to Federal spending; and

(iii) use in the conduct of criminal and other investigations; and

(B) which may require the Federal agency, Inspector General, or Federal law enforcement agency to provide reimbursement to the Secretary for the reasonable cost of carrying out the agreement.

(3) TRANSFER.—Upon the establishment of a data analysis center or the expansion of a service under paragraph (1), and on or before the date on which the Recovery Accountability and Transparency Board terminates, and in addition to any other transfer that the Director determines is necessary under section 1531 of title 31, United States Code, there are transferred to the Department of the Treasury all assets identified by the Secretary that support the operations and activities of the Recovery Operations Center of the Recovery Accountability and Transparency Board relating to the detection of waste, fraud, and abuse in the use of Federal funds that are in existence on the day before the transfer.

**SEC. 7. [31 U.S.C. 6101 note] CLASSIFIED AND PROTECTED INFORMATION.**

Nothing in this Act shall require the disclosure to the public of—

(1) information that would be exempt from disclosure under section 552 of title 5, United States Code (commonly known as the “Freedom of Information Act”); or

(2) information protected under section 552a of title 5, United States Code (commonly known as the “Privacy Act of 1974”), or section 6103 of the Internal Revenue Code of 1986.

**SEC. 8. [31 U.S.C. 6101 note] NO PRIVATE RIGHT OF ACTION.**

Nothing in this Act shall be construed to create a private right of action for enforcement of any provision of this Act.