

GRANT REPORTING EFFICIENCY AND AGREEMENTS  
TRANSPARENCY ACT OF 2018

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SEPTEMBER 12, 2018.—Committed to the Committee of the Whole House on the  
State of the Union and ordered to be printed

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Mr. GOWDY, from the Committee on Oversight and Government  
Reform, submitted the following

R E P O R T

[To accompany H.R. 4887]

[Including cost estimate of the Congressional Budget Office]

The Committee on Oversight and Government Reform, to whom  
was referred the bill (H.R. 4887) to modernize Federal grant  
reporting, and for other purposes, having considered the same, report  
favorably thereon with an amendment and recommend that the bill  
as amended do pass.

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The amendment is as follows:  
Strike all after the enacting clause and insert the following:

**SEC. 1. SHORT TITLE.**

This Act may be cited as the “Grant Reporting Efficiency and Agreements Transparency Act of 2018” or the “GREAT Act”.

**SEC. 2. PURPOSES.**

The purposes of this Act are to—

(1) modernize reporting by recipients of Federal grants and cooperative agreements by creating and imposing data standards for the information that grants and cooperative agreement recipients must report to the Federal Government;

(2) implement the recommendation by the Director of the Office of Management and Budget, under section 5(b)(6) of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note), which includes the development of a “comprehensive taxonomy of standard definitions for core data elements required for managing Federal financial assistance awards”;

(3) reduce burden and compliance costs of recipients of Federal grants and cooperative agreements by enabling technology solutions, existing or yet to be developed, by both the public and private sectors, to better manage data recipients already provide to the Federal Government; and

(4) to strengthen oversight and management of Federal grants and cooperative agreements by agencies through consolidated collection and display of and access to open data that has been standardized, and where appropriate, transparency to the public.

**SEC. 3. DATA STANDARDS FOR GRANT REPORTING.**

(a) AMENDMENT.—Subtitle V of title 31, United States Code, is amended by inserting after chapter 63 the following new chapter:

**“CHAPTER 64—DATA STANDARDS FOR GRANT REPORTING**

“Sec.

“6401. Definitions.

“6402. Data standards for grant reporting.

“6403. Guidance applying data standards for grant reporting.

“6404. Agency requirements.

**“§ 6401. Definitions**

“In this chapter:

“(1) AGENCY.—The term ‘agency’ has the meaning given that term in section 552(f) of title 5.

“(2) CORE DATA ELEMENTS.—The term ‘core data elements’ means data elements that are not program-specific in nature and are required by agencies for all or the vast majority of Federal grant and cooperative assistance recipients for purposes of reporting.

“(3) DIRECTOR.—The term ‘Director’ means the Director of the Office of Management and Budget.

“(4) FEDERAL AWARD.—The term ‘Federal award’—

“(A) means the transfer of anything of value for a public purpose of support or stimulation authorized by a law of the United States, including financial assistance and Government facilities, services, and property;

“(B) includes grants, subgrants, awards, and cooperative agreements; and

“(C) does not include—

“(i) conventional public information services or procurement of property or services for the direct benefit or use of the Government; or

“(ii) an agreement that provides only—

“(I) direct Government cash assistance to an individual;

“(II) a subsidy;

“(III) a loan;

“(IV) a loan guarantee; or

“(V) insurance.

“(5) SECRETARY.—The term ‘Secretary’ means the head of the standard-setting agency.

“(6) STANDARD-SETTING AGENCY.—The term ‘standard-setting agency’ means the Executive department designated under section 6402(a)(1).

“(7) STATE.—The term ‘State’ means each State of the United States, the District of Columbia, each commonwealth, territory or possession of the United States, and each federally recognized Indian Tribe.

**“§ 6402. Data standards for grant reporting**

“(a) IN GENERAL.—

“(1) DESIGNATION OF STANDARD-SETTING AGENCY.—The Director shall designate the Executive department (as defined in section 101 of title 5) that issues the most Federal awards in a calendar year as the standard-setting agency.

“(2) ESTABLISHMENT OF STANDARDS.—Not later than 1 year after the date of the enactment of this chapter, the Secretary and the Director shall establish Governmentwide data standards for information reported by recipients of Federal awards.

“(3) DATA ELEMENTS.—The data standards established under paragraph (2) shall include, at a minimum—

“(A) standard definitions for data elements required for managing Federal awards; and

“(B) unique identifiers for Federal awards and entities receiving Federal awards that can be consistently applied Governmentwide.

“(b) SCOPE.—The data standards established under subsection (a) shall include core data elements and may cover any information required to be reported to any agency by recipients of Federal awards, including audit-related information reported under chapter 75 of this title.

“(c) REQUIREMENTS.—The data standards required to be established under subsection (a) shall, to the extent reasonable and practicable—

“(1) render information reported by recipients of Federal grant and cooperative agreement awards fully searchable and machine-readable;

“(2) incorporate standards developed and maintained by voluntary consensus standards bodies;

“(3) be consistent with and implement applicable accounting and reporting principles; and

“(4) incorporate the data standards established under the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note).

“(d) CONSULTATION.—In establishing the data standards under subsection (a), the Secretary and the Director shall consult with, as appropriate—

“(1) the Secretary of the Treasury, to ensure that the data standards incorporate the data standards created under the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note);

“(2) the head of each agency that issues Federal awards;

“(3) recipients of Federal awards and organizations representing recipients of Federal awards;

“(4) private sector experts;

“(5) members of the public, including privacy experts, privacy advocates, and industry stakeholders; and

“(6) State and local governments.

**“§ 6403. Guidance applying data standards for grant reporting**

“(a) IN GENERAL.—Not later than 2 years after the date of the enactment of this chapter—

“(1) the Secretary and the Director shall issue guidance to all agencies directing the agencies to apply the data standards established under section 6402 to all applicable reporting by recipients of Federal grant and cooperative agreement awards; and

“(2) the Director shall prescribe guidance applying the data standards to audit-related information reported under chapter 75.

“(b) GUIDANCE.—The guidance issued under this section shall—

“(1) to the extent reasonable and practicable—

“(A) minimize the disruption to existing reporting practices for agencies and for recipients of Federal grant and cooperative agreement awards; and

“(B) explore opportunities to implement modern technologies within Federal award reporting;

“(2) allow the Director to permit exceptions for categories of grants if the Director publishes a list of such exceptions, including exceptions for Indian Tribes and Tribal organizations consistent with the Indian Self-Determination and Education Assistance Act; and

“(3) take into consideration the consultation required under section 6402(d).

**“§ 6404. Agency requirements**

“Not later than 3 years after the date of the enactment of this chapter, the head of each agency shall ensure that all of the agency’s grants and cooperative agreements use data standards for all future information collection requests and amend existing information collection requests covered by chapter 35 of title 44 (commonly referred to as the Paperwork Reduction Act) to comply with the data standards established under section 6402, consistent with the guidance issued by the Secretary and the Director under section 6403.”

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of chapters for subtitle V of title 31, United States Code, is amended by inserting after the item relating to chapter 63 the following new item:

“64. Data Standards for Grant Reporting ..... 6401”.

**SEC. 4. SINGLE AUDIT ACT.**

(a) AMENDMENTS.—

(1) Section 7502(h) of title 31, United States Code, is amended by inserting before “to a Federal clearinghouse” the following “in an electronic form consistent with the data standards established under chapter 64.”

(2) Section 7505 of title 31, United States Code, is amended by adding at the end the following new subsection:

“(d) Such guidance shall require audit-related information reported under this chapter to be reported in an electronic form consistent with the data standards established under chapter 64.”.

(b) GUIDANCE.—Not later than 2 years after the date of the enactment of this Act, the Director shall issue guidance requiring audit-related information reported under chapter 75 of title 31, United States Code, to be reported in an electronic form consistent with the data standards established under chapter 64 of title 31, United States Code, as added by section 3.

**SEC. 5. CONSOLIDATION OF ASSISTANCE-RELATED INFORMATION; PUBLICATION OF PUBLIC INFORMATION AS OPEN DATA.**

(a) COLLECTION OF INFORMATION.—Not later than 4 years after the date of the enactment of this Act, the Secretary and the Director shall enable the collection, public display, and maintenance of Federal award information as a Governmentwide data set, using the data standards established under chapter 64 of title 31, United States Code, as added by section 3, subject to reasonable restrictions established by the Director to ensure protection of personally identifiable and otherwise sensitive information.

(b) PUBLICATION OF INFORMATION.—The Secretary and the Director shall require the publication of recipient-reported data collected from all agencies on a single public portal. Information may be published on an existing Governmentwide website as determined appropriate by the Director.

(c) FOIA.—Nothing in this section shall require the disclosure to the public of information that would be exempt from disclosure under section 552 of title 5, United States Code (commonly known as the “Freedom of Information Act”).

**SEC. 6. EVALUATION OF NONPROPRIETARY IDENTIFIERS.**

(a) DETERMINATION REQUIRED.—The Director and the Secretary shall determine whether to use nonproprietary identifiers under section 6402(a)(3)(B) of title 31, United States Code, as added by section 3(a).

(b) FACTORS TO BE CONSIDERED.—In making the determination required pursuant to subsection (a), the Director and the Secretary shall consider factors such as accessibility and cost to recipients of Federal awards, agencies that issue Federal awards, private-sector experts, and members of the public, including privacy experts and privacy advocates.

(c) PUBLICATION AND REPORT ON DETERMINATION.—Not later than the earlier of 1 year after the date of the enactment of this Act or the date on which the Secretary and Director establish data standards pursuant to section 6402(a)(2) of title 31, United States Code, as added by section 3(a), the Secretary and the Director shall publish and submit to the Committees on Oversight and Government Reform of the House of Representatives and Homeland Security and Governmental Affairs of the Senate a report explaining the reasoning for the determination made pursuant to subsection (a).

**SEC. 7. DEFINITIONS.**

In this Act, the terms “agency”, “Director”, “Federal award”, and “Secretary” have the meaning given those terms in section 6401 of title 31, United States Code, as added by section 3(a).

**SEC. 8. RULE OF CONSTRUCTION.**

Nothing in this Act, or the amendments made by this Act, shall be construed to require the collection of data that is not otherwise required pursuant to any Federal law, rule, or regulation.

**SUMMARY AND PURPOSE OF LEGISLATION**

H.R. 4887, the Grant Reporting Efficiency and Agreements Transparency Act of 2018, or the GREAT Act, requires the creation

of a comprehensive taxonomy of standardized data elements for Federal awards to be implemented government-wide. The standardization will ease the reporting burden for grant recipients and improve public and private oversight.

#### BACKGROUND AND NEED FOR LEGISLATION

The GREAT Act continues a decade-long trend toward increasing transparency of Federal grant spending. Since 2006, Congress has sought to report Federal spending data in a standardized, centralized, and easily accessible fashion.<sup>1</sup>

In 2014, Congress passed the DATA Act, which included a provision authorizing a pilot program to explore whether new reporting standards would materially reduce duplicative, burdensome financial reporting requirements for recipients of Federal awards.<sup>2</sup> Conducted by the Office of Management and Budget (OMB), the pilot examined procurement contracts and financial assistance grants.

OMB tasked the General Services Administration (GSA) with the portion of the pilot addressing contracts, because GSA establishes and administers government-wide contracts. OMB tasked the Department of Health and Human Services (HHS) with strategic leadership of the grants portion of the pilot because the agency issues the greatest number of grants. HHS studied \$122 billion in grants.<sup>3</sup>

As part of the pilot, HHS built the Common Data Element Repository (CDER) Library, a Federal online repository of data fields and definitions of the fields used by the Federal Government in agency interactions with the public.<sup>4</sup> The CDER Library currently has more than 25,000 data elements for forms used throughout the Federal Government.<sup>5</sup>

The results of the pilot program show grant reporting could be further streamlined. OMB offered four recommendations: (1) define “required reporting data elements;” (2) collect data in a central location; (3) utilize auto-population across the government so that data can be reused; and (4) ensure explanations of “requirements and business processes” accompany resources for grantees.<sup>6</sup> However, standardizing data elements should be done in conjunction with streamlining the process for inputting the data. As OMB put it, standardization is a “prerequisite for achieving the full potential for burden reduction.”<sup>7</sup>

The DATA Act Pilot Program Report concluded standardizing reporting data for Federal grant spending reduces burdens on stakeholders and increases efficiency.<sup>8</sup> The GREAT Act applies the lessons of this successful pilot program, government-wide.

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<sup>1</sup>Jennifer Teefy, Cong. Research Serv., R44027, Tracking Federal Awards: USAspending.gov and Other Data Sources (2018).

<sup>2</sup>Pub. L. No. 113–101 (2014).

<sup>3</sup>Office of Mgmt. & Budget, Report to Congress: DATA Act Pilot Program 4 (2017).

<sup>4</sup>*Id.*, at 35.

<sup>5</sup>Dept. of Health & Human Services, *Common Data Element Repository (CDER) Library*, [https://repository.usaspending.gov/cder\\_library/authorized/dataElements](https://repository.usaspending.gov/cder_library/authorized/dataElements) (last visited July 10, 2018).

<sup>6</sup>Office of Mgmt. & Budget, *supra* note 3, at 5.

<sup>7</sup>*Id.*

<sup>8</sup>*Id.*

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF  
THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the previous section.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goal or objective of this bill is to modernize Federal grant reporting.

LEGISLATIVE HISTORY

On January 29, 2018, Representative Virginia Foxx (R-NC) introduced H.R. 4887, the Grant Reporting Efficiency and Agreements Transparency (GREAT) Act of 2018, with Representatives Jimmy Gomez (D-CA), Darrell Issa (R-CA), Mike Quigley (D-IL), and Derek Kilmer (D-WA). H.R. 4887 was referred to the Committee on Oversight and Government Reform. The Committee considered the bill at a business meeting on February 6, 2018, and ordered the bill favorably reported, as amended, by voice vote.

COMMITTEE CONSIDERATION

On February 6, 2018, the Committee met in open session and, with a quorum being present, ordered the bill favorably reported, as amended, by voice vote.

ROLL CALL VOTES

There were no roll call votes requested or conducted during Committee consideration of H.R. 4887.

EXPLANATION OF AMENDMENTS

During Committee consideration of the bill, Representative Virginia Foxx (R-NC) offered an amendment in the nature of a substitute to make technical corrections. The Foxx amendment was adopted, as amended, by a voice vote.

Representative Jimmy Gomez (D-CA) offered and withdrew an amendment to the amendment in the nature of a substitute, which would have inserted a new section requiring data standards for reporting on contracting following agreement by Rep. Foxx to work on legislation to accomplish that goal.

Representative Gerald E. Connolly (D-VA) offered an amendment to the Foxx amendment to strike the word "nonproprietary" and insert a new section directing the Office of Management and Budget and the Secretary of the standard setting agency to study and make a determination on the use of nonproprietary identifiers, and report their decision to the House Committee on Oversight and Government Reform and the Senate Homeland Security and Governmental Affairs Committee. The Connolly amendment to the Foxx amendment was adopted by a voice vote.

## APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch where the bill relates to the terms and conditions of employment or access to public services and accommodations. This bill is to modernize Federal grant reporting, and for other purposes. As such, this bill does not relate to employment or access to public services and accommodations.

## DUPLICATION OF FEDERAL PROGRAMS

In accordance with clause 2(c)(5) of rule XIII no provision of this bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

## DISCLOSURE OF DIRECTED RULE MAKINGS

Pursuant to section 3(j) of H. Res. 5, the Committee finds section 6402 of title 31, United States Code, as added by section 3 of the legislation, would require the Director of the Office of Management and Budget and a designated Cabinet Secretary establish government wide data standards for grant reporting. Section 6403 as added by section 3 of the legislation, would require the Director and Secretary also issue guidance to all agencies directing them to apply those data standards to certain reporting. Sec. 4(b) of the legislation requires the Director to issue guidance requiring audit-related information reported under chapter 75 of title 31, United States Code, be reported in an electronic form.

## FEDERAL ADVISORY COMMITTEE ACT

The Committee finds that the legislation does not establish or authorize the establishment of an advisory committee within the definition of Section 5(b) of the appendix to title 5, United States Code.

## UNFUNDED MANDATES STATEMENT

Pursuant to section 423 of the *Congressional Budget Act of 1974* the Committee has included a letter received from the Congressional Budget Office below.

## EARMARK IDENTIFICATION

This bill does not include any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the House of Representatives.

## COMMITTEE ESTIMATE

Pursuant to clause 3(d)(2)(B) of rule XIII of the Rules of the House of Representatives, the Committee includes below a cost estimate of the bill prepared by the Director of the Congressional

Budget Office under section 402 of the *Congressional Budget Act of 1974*.

NEW BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the House of Representatives, the cost estimate prepared by the Congressional Budget Office and submitted pursuant to section 402 of the *Congressional Budget Act of 1974* is as follows:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, July 23, 2018.*

Hon. TREY GOWDY,  
*Chairman, Committee on Oversight and Government Reform,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4887, the GREAT Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

MARK P. HADLEY  
(For Keith Hall, Director).

Enclosure.

*H.R. 4887—GREAT Act*

Summary: H.R. 4887 aims to make information about federal grant programs more easily accessible and transparent. The bill would authorize the Office of Management and Budget (OMB) to designate an executive agency to establish data standards for all government reporting on such programs.

CBO estimates that implementing H.R. 4887 would cost \$50 million over the 2019–2023 period, assuming appropriation of the necessary funds. Enacting H.R. 4887 could affect direct spending by agencies that are authorized to use receipts from the sale of goods, fees, and other collections to cover operating costs. Therefore, pay-as-you-go procedures apply. Because most agencies can make adjustments to the amounts collected as operating costs change, CBO estimates that any net changes in direct spending by those agencies would be negligible. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 4887 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 4887 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal Government: The estimated budgetary effect of H.R. 4887 is shown in the following table. The costs of the legislation fall within all budget functions that contain salaries and expenses for grant programs.

	By fiscal year, in millions of dollars—						
	2018	2019	2020	2021	2022	2023	2019–2023
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Estimated Authorization Level .....	0	10	10	10	10	10	50
Estimated Outlays .....	0	10	10	10	10	10	50

**Basis of Estimate:** For this estimate, CBO assumes that H.R. 4887 will be enacted near the end of 2018 and that spending will follow historical patterns for similar activities.

The federal government uses several databases to monitor and track agency spending. For example, “Grants,” a website of the Department of Health and Human Services (HHS) provides information about federal grants and contracts. Information on federal spending also is available through an OMB website, “USASpending,” which displays award amounts for all federal contracts, grants, and loans. Information from HHS and OMB indicates that under current law, the federal government has standardized some reporting requirements by grant recipients but this information is not collected or reported consistently across the government programs that award grants.

For this estimate, CBO assumes that HHS would be the lead agency to implement H.R. 4887. HHS spends about \$10 million to \$12 million annually on its “Grants” website, and CBO expects that implementing H.R. 4887 would involve the same level of effort spread across multiple departments and agencies. Initial tasks would require personnel to develop the data structure and data elements; subsequent work would involve modifying computer systems and training personnel. In total, CBO estimates that implementing the bill would cost \$50 million over the 2019–2023 period, subject to the availability of appropriated funds.

**Pay-As-You-Go considerations:** The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. H.R. 4887 could affect direct spending by agencies that are not funded through annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any changes in direct spending would be negligible. Enacting the bill would not affect revenues.

**Increase in long-term direct spending and deficits:** CBO estimates that enacting H.R. 4887 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

**Mandates:** H.R. 4887 contains no intergovernmental or private-sector mandates as defined in UMRA.

Estimate prepared by: Federal Costs: Matthew Pickford; Mandates: Andrew Laughlin.

Estimate reviewed by: Kim P. Cawley, Unit Chief, Natural Resources Cost Estimate Unit; H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

## SECTION-BY-SECTION ANALYSIS

### *Section 1. Short title*

Section 1 establishes the short title of the bill.

*Sec. 2. Purposes*

Section 2 establishes the purposes of this bill, including: (1) modernizing Federal awards reporting to the Federal Government; (2) implementing the development of a comprehensive taxonomy of definitions for standard data elements required by Federal awards; (3) decreasing compliance costs and burdens on Federal award recipients through technology solutions; and (4) strengthening oversight and management of Federal awards by standardizing data collection and display.

*Sec. 3. Data standards for grant reporting*

Section 3 establishes a new chapter 64 of title 31, United States Code, to create data standards to be used by Federal award recipients for reporting.

31 U.S.C. § 6401. DEFINITIONS

The new section 6401 of title 31, United States Code, includes definitions for “agency,” “Director,” and “Secretary” as defined in existing law, and establishes new definitions for the following terms, within chapter 64:

1. *Core data elements.* These are data elements collected in Federal awards that are not program-specific and are required by most Federal awards reporting.

2. *Federal award.* A Federal award is the transfer of anything of value for public use or authorized activities, excluding procurements, subsidies, loans, loan guarantees, insurance, or direct government cash assistance to an individual.

3. *Standard-setting agency.* This is the executive agency issuing the most Federal awards.

4. *State.* This term means each of the 50 states, the District of Columbia, each commonwealth, territory, or possession of the United States, and each Federally-recognized Indian Tribe.

31 U.S.C. § 6402. DATA STANDARDS FOR GRANT REPORTING

Section 6402 of title 31, United States Code, as added by section 3 of the bill, requires the Office of Management and Budget and the standard-setting agency to establish data standards for Federal award recipients throughout the government within one year of enactment. The elements of the data standards must include definitions for each standard and unique identifiers for awards and award recipients, government-wide. To the extent reasonable and practical, the data must also: (1) be fully searchable and machine-readable; (2) incorporate standards developed and maintained by voluntary consensus standards bodies; (3) be consistent with and implement applicable accounting and reporting principles; and (4) meet the data standards established in the *Federal Funding Accountability and Transparency Act of 2006* (31 U.S.C. 6101 note).

OMB and the standard-setting agency will consult with the Department of the Treasury, the heads of every agency that issues Federal awards, award recipients, private sector experts, privacy experts and advocates, and state and local governments during the development of these standards.

31 U.S.C. § 6403. GUIDANCE APPLYING DATA STANDARDS FOR GRANT REPORTING

Section 6403 of the new chapter requires OMB and the standard-setting agency to issue guidance to all agencies on how to apply the data standards to applicable reporting from Federal award recipients within two years of enactment. To the extent reasonable and practical, the guidance must minimize disruption to current reporting practices, use modern technologies, allow for certain exceptions, and take the consultation in section 6402(d) into consideration.

31 U.S.C. § 6404. AGENCY REQUIREMENTS

Section 6404 of the new chapter requires each agency issuing Federal awards to comply with the data standards for all future information collection and amend existing information requests covered by chapter 35 of title 44, United States Code, to meet the newly established data standards, within three years of enactment.

*Sec. 4. Single audit act*

Section 4 of the bill amends the *Single Audit Act* (31 U.S.C. 7502(h), 7505) to clarify reports created under this bill shall be in an electronic format.

*Sec. 5. Consolidation of assistance-related information; publication of public information as open data*

Section 5 enables OMB and the standard-setting agency to collect, publicly display, and maintain the data collected under this legislation, subject to reasonable restrictions set by OMB to protect personally-identifiable and sensitive information. Data exempt from disclosure under the *Freedom of Information Act* (section 552 of title 5, United States Code) is also exempt from disclosure in the public display required under this legislation.

*Sec. 6. Evaluation of nonproprietary identifiers*

Section 6 requires the Director and Secretary to determine, within one year of enactment, whether to use nonproprietary identifiers under 31 U.S.C. 6402(a)(3)(B) and report the determination to the House Committee on Oversight and Government Reform and the Senate Committee on Homeland Security and Governmental Affairs. The Director and Secretary must consider accessibility and cost to the recipients of Federal awards and agencies that issue Federal awards, as well as consult stakeholders in the process.

*Sec. 7. Definitions*

Section 7 applies the definitions of “agency,” “Director,” “Federal award,” and “Secretary” established in the new 31 U.S.C. 6401 throughout the bill.

*Sec. 8. Rule of construction*

Section 8 provides a rule of construction that nothing in this Act will require data collection that is not otherwise required pursuant to any Federal law, rule, or regulation.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

**TITLE 31, UNITED STATES CODE**

\* \* \* \* \*

**SUBTITLE V—GENERAL ASSISTANCE ADMINISTRATION**

Chap.		Sec.
61	Program Information .....	6101
	* * * * *	
64	<i>Data Standards for Grant Reporting</i> .....	6401
	* * * * *	

**CHAPTER 64—DATA STANDARDS FOR GRANT REPORTING**

- Sec.  
 6401. *Definitions.*  
 6402. *Data standards for grant reporting.*  
 6403. *Guidance applying data standards for grant reporting.*  
 6404. *Agency requirements.*

**§ 6401. Definitions**

*In this chapter:*

- (1) **AGENCY.**—*The term “agency” has the meaning given that term in section 552(f) of title 5.*
- (2) **CORE DATA ELEMENTS.**—*The term “core data elements” means data elements that are not program-specific in nature and are required by agencies for all or the vast majority of Federal grant and cooperative assistance recipients for purposes of reporting.*
- (3) **DIRECTOR.**—*The term “Director” means the Director of the Office of Management and Budget.*
- (4) **FEDERAL AWARD.**—*The term “Federal award”—*
  - (A) *means the transfer of anything of value for a public purpose of support or stimulation authorized by a law of the United States, including financial assistance and Government facilities, services, and property;*
  - (B) *includes grants, subgrants, awards, and cooperative agreements; and*
  - (C) *does not include—*
    - (i) *conventional public information services or procurement of property or services for the direct benefit or use of the Government; or*
    - (ii) *an agreement that provides only—*
      - (I) *direct Government cash assistance to an individual;*
      - (II) *a subsidy;*

- (III) a loan;
- (IV) a loan guarantee; or
- (V) insurance.

(5) *SECRETARY*.—The term “Secretary” means the head of the standard-setting agency.

(6) *STANDARD-SETTING AGENCY*.—The term “standard-setting agency” means the Executive department designated under section 6402(a)(1).

(7) *STATE*.—The term “State” means each State of the United States, the District of Columbia, each commonwealth, territory or possession of the United States, and each federally recognized Indian Tribe.

### **§ 6402. Data standards for grant reporting**

(a) *IN GENERAL*.—

(1) *DESIGNATION OF STANDARD-SETTING AGENCY*.—The Director shall designate the Executive department (as defined in section 101 of title 5) that issues the most Federal awards in a calendar year as the standard-setting agency.

(2) *ESTABLISHMENT OF STANDARDS*.—Not later than 1 year after the date of the enactment of this chapter, the Secretary and the Director shall establish Governmentwide data standards for information reported by recipients of Federal awards.

(3) *DATA ELEMENTS*.—The data standards established under paragraph (2) shall include, at a minimum—

(A) standard definitions for data elements required for managing Federal awards; and

(B) unique identifiers for Federal awards and entities receiving Federal awards that can be consistently applied Governmentwide.

(b) *SCOPE*.—The data standards established under subsection (a) shall include core data elements and may cover any information required to be reported to any agency by recipients of Federal awards, including audit-related information reported under chapter 75 of this title.

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

(1) render information reported by recipients of Federal grant and cooperative agreement awards fully searchable and machine-readable;

(2) incorporate standards developed and maintained by voluntary consensus standards bodies;

(3) be consistent with and implement applicable accounting and reporting principles; and

(4) incorporate the data standards established under the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note).

(d) *CONSULTATION*.—In establishing the data standards under subsection (a), the Secretary and the Director shall consult with, as appropriate—

(1) the Secretary of the Treasury, to ensure that the data standards incorporate the data standards created under the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note);

- (2) *the head of each agency that issues Federal awards;*
- (3) *recipients of Federal awards and organizations representing recipients of Federal awards;*
- (4) *private sector experts;*
- (5) *members of the public, including privacy experts, privacy advocates, and industry stakeholders; and*
- (6) *State and local governments.*

**§ 6403. Guidance applying data standards for grant reporting**

(a) *IN GENERAL.—Not later than 2 years after the date of the enactment of this chapter—*

- (1) *the Secretary and the Director shall issue guidance to all agencies directing the agencies to apply the data standards established under section 6402 to all applicable reporting by recipients of Federal grant and cooperative agreement awards; and*
- (2) *the Director shall prescribe guidance applying the data standards to audit-related information reported under chapter 75.*

(b) *GUIDANCE.—The guidance issued under this section shall—*

- (1) *to the extent reasonable and practicable—*
  - (A) *minimize the disruption to existing reporting practices for agencies and for recipients of Federal grant and cooperative agreement awards; and*
  - (B) *explore opportunities to implement modern technologies within Federal award reporting;*
- (2) *allow the Director to permit exceptions for categories of grants if the Director publishes a list of such exceptions, including exceptions for Indian Tribes and Tribal organizations consistent with the Indian Self-Determination and Education Assistance Act; and*
- (3) *take into consideration the consultation required under section 6402(d).*

**§ 6404. Agency requirements**

*Not later than 3 years after the date of the enactment of this chapter, the head of each agency shall ensure that all of the agency’s grants and cooperative agreements use data standards for all future information collection requests and amend existing information collection requests covered by chapter 35 of title 44 (commonly referred to as the Paperwork Reduction Act) to comply with the data standards established under section 6402, consistent with the guidance issued by the Secretary and the Director under section 6403.*

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**CHAPTER 75—REQUIREMENTS FOR SINGLE AUDITS**

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**§ 7502. Audit requirements; exemptions**

(a)(1)(A) Each non-Federal entity that expends a total amount of Federal awards equal to or in excess of \$300,000 or such other amount specified by the Director under subsection (a)(3) in any fiscal year of such non-Federal entity shall have either a single audit

or a program-specific audit made for such fiscal year in accordance with the requirements of this chapter.

(B) Each such non-Federal entity that expends Federal awards under more than one Federal program shall undergo a single audit in accordance with the requirements of subsections (b) through (i) of this section and guidance issued by the Director under section 7505.

(C) Each such non-Federal entity that expends awards under only one Federal program and is not subject to laws, regulations, or Federal award agreements that require a financial statement audit of the non-Federal entity, may elect to have a program-specific audit conducted in accordance with applicable provisions of this section and guidance issued by the Director under section 7505.

(2)(A) Each non-Federal entity that expends a total amount of Federal awards of less than \$300,000 or such other amount specified by the Director under subsection (a)(3) in any fiscal year of such entity, shall be exempt for such fiscal year from compliance with—

- (i) the audit requirements of this chapter; and
- (ii) any applicable requirements concerning financial audits contained in Federal statutes and regulations governing programs under which such Federal awards are provided to that non-Federal entity.

(B) The provisions of subparagraph (A)(ii) of this paragraph shall not exempt a non-Federal entity from compliance with any provision of a Federal statute or regulation that requires such non-Federal entity to maintain records concerning Federal awards provided to such non-Federal entity or that permits a Federal agency, pass-through entity, or the Comptroller General access to such records.

(3) Every 2 years, the Director shall review the amount for requiring audits prescribed under paragraph (1)(A) and may adjust such dollar amount consistent with the purposes of this chapter, provided the Director does not make such adjustments below \$300,000.

(b)(1) Except as provided in paragraphs (2) and (3), audits conducted pursuant to this chapter shall be conducted annually.

(2) A State or local government that is required by constitution or statute, in effect on January 1, 1987, to undergo its audits less frequently than annually, is permitted to undergo its audits pursuant to this chapter biennially. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

(3) Any nonprofit organization that had biennial audits for all biennial periods ending between July 1, 1992, and January 1, 1995, is permitted to undergo its audits pursuant to this chapter biennially. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

(c) Each audit conducted pursuant to subsection (a) shall be conducted by an independent auditor in accordance with generally accepted government auditing standards, except that, for the purposes of this chapter, performance audits shall not be required except as authorized by the Director.

(d) Each single audit conducted pursuant to subsection (a) for any fiscal year shall—

- (1) cover the operations of the entire non-Federal entity; or
  - (2) at the option of such non-Federal entity such audit shall include a series of audits that cover departments, agencies, and other organizational units which expended or otherwise administered Federal awards during such fiscal year provided that each such audit shall encompass the financial statements and schedule of expenditures of Federal awards for each such department, agency, and organizational unit, which shall be considered to be a non-Federal entity.
- (e) The auditor shall—
- (1) determine whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles;
  - (2) determine whether the schedule of expenditures of Federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole;
  - (3) with respect to internal controls pertaining to the compliance requirements for each major program—
    - (A) obtain an understanding of such internal controls;
    - (B) assess control risk; and
    - (C) perform tests of controls unless the controls are deemed to be ineffective; and
  - (4) determine whether the non-Federal entity has complied with the provisions of laws, regulations, and contracts or grants pertaining to Federal awards that have a direct and material effect on each major program.
- (f)(1) Each Federal agency which provides Federal awards to a recipient shall—
- (A) provide such recipient the program names (and any identifying numbers) from which such awards are derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter; and
  - (B) review the audit of a recipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the recipient by the Federal agency.
- (2) Each pass-through entity shall—
- (A) provide such subrecipient the program names (and any identifying numbers) from which such assistance is derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter;
  - (B) monitor the subrecipient's use of Federal awards through site visits, limited scope audits, or other means;
  - (C) review the audit of a subrecipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the subrecipient by the pass-through entity; and
  - (D) require each of its subrecipients of Federal awards to permit, as a condition of receiving Federal awards, the independent auditor of the pass-through entity to have such access to the subrecipient's records and financial statements as may be necessary for the pass-through entity to comply with this chapter.

(g)(1) The auditor shall report on the results of any audit conducted pursuant to this section, in accordance with guidance issued by the Director.

(2) When reporting on any single audit, the auditor shall include a summary of the auditor’s results regarding the non-Federal entity’s financial statements, internal controls, and compliance with laws and regulations.

(h) The non-Federal entity shall transmit the reporting package, which shall include the non-Federal entity’s financial statements, schedule of expenditures of Federal awards, corrective action plan defined under subsection (i), and auditor’s reports developed pursuant to this section, *in an electronic form consistent with the data standards established under chapter 64*, to a Federal clearinghouse designated by the Director, and make it available for public inspection within the earlier of—

(1) 30 days after receipt of the auditor’s report; or

(2)(A) for a transition period of at least 2 years after the effective date of the Single Audit Act Amendments of 1996, as established by the Director, 13 months after the end of the period audited; or

(B) for fiscal years beginning after the period specified in subparagraph (A), 9 months after the end of the period audited, or within a longer timeframe authorized by the Federal agency, determined under criteria issued under section 7504, when the 9-month timeframe would place an undue burden on the non-Federal entity.

(i) If an audit conducted pursuant to this section discloses any audit findings, as defined by the Director, including material non-compliance with individual compliance requirements for a major program by, or reportable conditions in the internal controls of, the non-Federal entity with respect to the matters described in subsection (e), the non-Federal entity shall submit to Federal officials designated by the Director, a plan for corrective action to eliminate such audit findings or reportable conditions or a statement describing the reasons that corrective action is not necessary. Such plan shall be consistent with the audit resolution standard promulgated by the Comptroller General (as part of the standards for internal controls in the Federal Government) pursuant to section 3512(c).

(j) The Director may authorize pilot projects to test alternative methods of achieving the purposes of this chapter. Such pilot projects may begin only after consultation with the Chair and Ranking Minority Member of the Committee on Governmental Affairs of the Senate and the Chair and Ranking Minority Member of the Committee on Government Reform and Oversight of the House of Representatives.

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**§ 7505. Regulations**

(a) The Director, after consultation with the Comptroller General, and appropriate officials from Federal, State, and local governments and nonprofit organizations shall prescribe guidance to implement this chapter. Each Federal agency shall promulgate such amendments to its regulations as may be necessary to conform such regulations to the requirements of this chapter and of such guidance.

(b)(1) The guidance prescribed pursuant to subsection (a) shall include criteria for determining the appropriate charges to Federal awards for the cost of audits. Such criteria shall prohibit a non-Federal entity from charging to any Federal awards—

(A) the cost of any audit which is—

(i) not conducted in accordance with this chapter; or

(ii) conducted in accordance with this chapter when expenditures of Federal awards are less than amounts cited in section 7502(a)(1)(A) or specified by the Director under section 7502(a)(3), except that the Director may allow the cost of limited scope audits to monitor subrecipients in accordance with section 7502(f)(2)(B); and

(B) more than a reasonably proportionate share of the cost of any such audit that is conducted in accordance with this chapter.

(2) The criteria prescribed pursuant to paragraph (1) shall not, in the absence of documentation demonstrating a higher actual cost, permit the percentage of the cost of audits performed pursuant to this chapter charged to Federal awards, to exceed the ratio of total Federal awards expended by such non-Federal entity during the applicable fiscal year or years, to such non-Federal entity's total expenditures during such fiscal year or years.

(c) Such guidance shall include such provisions as may be necessary to ensure that small business concerns, qualified HUBZone small business concerns, and business concerns owned and controlled by socially and economically disadvantaged individuals will have the opportunity to participate in the performance of contracts awarded to fulfill the audit requirements of this chapter.

*(d) Such guidance shall require audit-related information reported under this chapter to be reported in an electronic form consistent with the data standards established under chapter 64.*

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