




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

June 12, 2013

OFFICE OF FEDERAL  
FINANCIAL MANAGEMENT

MEMORANDUM FOR AGENCY CHIEF FINANCIAL OFFICERS

FROM: Norman Dong   
Deputy Controller

SUBJECT: Improving Data Quality for USAspending.gov

USAspending.gov was launched in December 2007 to implement the Federal Funding Accountability and Transparency Act (FFATA) of 2006 by providing the public with free centralized access to information on Federal spending. In March 2013 alone, over 50,000 people had visited the USAspending.gov website, exceeding projected targets. Through USAspending.gov, the public has unprecedented access to data on Federal spending resulting from Federal awards, such as contracts, grants, and other financial assistance.

To ensure USAspending.gov is providing current and accurate information, OMB and Federal agencies must take steps to ensure data reliability and quality. Reliable data allows the public to trust in the information the government provides and for Federal and elected officials to use that information to make informed decisions about government programs and projects. It allows Federal managers to analyze and better structure government programs to prevent waste, fraud, and abuse. Further, reliable data provides those with an oversight function with the assurance that agencies and programs are accountable for the Federal funds spent.

The information on USAspending.gov is populated with data sourced from agency financial assistance management systems and from the central Federal Procurement Data System. These systems include both financial data and narrative information about specific assistance and procurement awards made by Federal agencies throughout the fiscal year. Because existing reporting models are not directly tied to agency financial systems at the award level, it is imperative that each agency have an internal control and accountability structure in place to ensure that the data reported is accurate and complete. As USAspending.gov continues to evolve, OMB and Federal agencies will explore opportunities to establish more comprehensive and more automated data reporting methods that better integrate publicly reported award-level data with data in financial systems.

To meet immediate needs of data reliability and quality based on the current reporting model, consistent with the objectives of the President's Government Accountability and Transparency Board,<sup>1</sup> this Memorandum requires that each Federal agency: (1) assign financial assistance award identification numbers unique within the Federal agency and (2) identify and implement a

<sup>1</sup> Section 3 of Executive Order 13576 of June 13, 2011, established the Government Accountability and Transparency Board. Additional information about the board is available from its website, *available at* <http://www.federaltransparency.gov/about/Pages/gatb.aspx>.

process to compare and validate USAspending.gov funding information with data in the agency's financial system. Based on this validation process, each agency shall report to OMB the accuracy rate of its USAspending.gov data on a quarterly basis. These requirements build on guidance outlined in M-10-06 of December 2009, *Open Government Directive*, and accompanying February and April 2010 OMB guidance, and the data quality plans submitted by each agency in response to that guidance.

**I. New Requirements for Financial Assistance Awards: For Purposes of Reporting to USAspending.gov, Each Federal Agency Must Assign a Federal Award Identification Number, Unique Within the Federal Agency, to Each Award for Financial Assistance (October 2013)**

Beginning in October 2013, each Federal agency must assign a *Federal Award Identification Number* (FAIN), unique within the Federal agency, to each financial assistance award. A FAIN that is unique by Federal agency makes it easier for recipients to correctly report sub-awards. In addition, the public can use the FAIN and the Catalog of Federal Domestic Assistance (CFDA) number together to find one accurate result when searching online. Once an agency assigns a FAIN and reports it to USAspending.gov, the Federal agency may not - with limited exceptions - modify the FAIN during the life of the award.

Further, once a Federal agency assigns a FAIN, that Federal agency must ensure that the FAIN is clearly identified in all Federal award documents. As a term and condition of the award, Federal agencies must require that all recipients document the assigned FAIN on each subaward under the Federal award.

Federal procurement awards continue to be subject to the requirements for uniform procurement instrument identification numbers in the Federal Acquisition Regulation (FAR) Subpart 4.1600.

**II. Assuring Data Quality for USAspending.gov (November 2014)**

To assure the quality of financial data on USAspending.gov, agencies shall, in accordance with timelines below develop procedures to validate USAspending.gov prime Federal award financial data, report to OMB if discrepancies exist between USAspending.gov and its financial systems, and provide annual assurance for the quality of USAspending.gov's financial data.

*Specifically:*

- (1) By October 1, 2013, each Federal agency shall have developed and implemented procedures to validate USAspending.gov prime Federal award financial data with data maintained in the agency's financial system.
- (2) Beginning October 1, 2013, within 60 days of close of each quarter, each agency shall report to OMB the accuracy rate of USAspending.gov prime Federal award financial data based on its validation process if discrepancies exist between USAspending.gov and financial systems.

(3) By November 15, 2014, based on the validation described above, each agency must make the following assurances for financial data reported on USAspending.gov:

- The prime Federal award financial data reported on USAspending.gov is correct at the reported percentage of accuracy, and the agency has adequate internal controls over the underlying spending; and
- The agency has implemented processes to ensure data completeness and accuracy on USAspending.gov by using control totals with financial statement data and comparing samples of financial data to actual award documents.<sup>2</sup>

These annual assurances must be included as part of the FY 2014 annual assurance statement as provided by the Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512(d)(2)).

To meet assure the accuracy and completeness of USAspending.gov prime Federal award financial data, agencies shall either:

- (1) *Conduct a validation of USAspending.gov data through a comparison against FAINs (discussed in Section I above) in the financial systems.* Under this approach, agencies may report required financial information about awards directly to USAspending.gov from that financial system and may consider the information reported to be automatically validated; or
- (2) *Use well-recognized, published data sources for their validation.* The most appropriate authoritative source of public financial data is the SF 133, "Report on Budget Execution and Budgetary Resources," which OMB publishes online each month,<sup>3</sup> and auditors commonly use in their field work. Using the SF 133 reports in validating USAspending.gov data leverages both processes that have been in place for nearly 20 years to prepare the underlying data and the oversight of the quality of this data provided by OMB and the Department of the Treasury.

Because of the complexity of some agency operations, there is not a "one size fits all" approach to conducting the validation that supports these assurances. If an agency is unable employ (1) or (2) above to assure the quality of USAspending.gov data, *it may request to use an alternative methodology to OMB by August 31, 2013.* Such requests must:

- Describe the alternative methodology;
- Identify how this methodology will assure the accuracy of USAspending.gov data; and

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<sup>2</sup> For the purposes of this comparison and explanation, for awards reported in the aggregate to USAspending.gov, an agency may validate and explain any differences in financial information in the aggregate.

<sup>3</sup> SF 133 reports are available on the internet at <https://max.omb.gov/maxportal/document/SF133/Budget/FACTS%20II%20-%20SF%20133%20Report%20on%20Budget%20Execution%20and%20Budgetary%20Resources.html> .

- Provide justification for not incorporating the FAIN into its financial system and/or employing the SF 133 for its validation of USAspending.gov by October 1, 2013.

Acceptable alternatives may include validation of USAspending.gov data with other systems (e.g., grants or contract management systems) or other authoritative reports that are made available to the public. OMB will grant approval for alternative methodologies only on a limited case-by-case basis, where such requests are justified by compelling legal, policy, or operational challenges.

In addition, for procurement transactions, the agency must continue to comply with the certification standards in the Federal Acquisition Regulation (FAR) Part 4.604 and supporting OMB Office of Federal Procurement Policy (OFPP) guidance available at [http://www.whitehouse.gov/omb/procurement\\_index\\_pro\\_data/](http://www.whitehouse.gov/omb/procurement_index_pro_data/).

The requirements under Section II of this Memorandum will inform ongoing policy discussions to develop a future vision for Federal spending transparency. OMB, in collaboration with the Department of the Treasury, will continue to work with Federal and non-Federal stakeholders to ensure that complete, accurate, and timely Federal spending information is shared with the public. Further guidance to implement a more comprehensive vision will eventually supersede this section of this Memorandum.

OMB will provide technical assistance to agencies as needed in implementing this requirement, and will work with Financial, Grants and Financial Assistance, and Procurement Communities to provide further implementation guidance in OMB Circular No. A-136. Please contact Karen F. Lee [klee@omb.eop.gov](mailto:klee@omb.eop.gov) or Mike Wetklow ([mwetklow@omb.eop.gov](mailto:mwetklow@omb.eop.gov)) in OMB's Office of Federal Financial Management with any questions regarding this Memorandum.