

NEIL ABERCROMBIE
GOVERNOR



KALBERT K. YOUNG
DIRECTOR

LUIS P. SALAVERIA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER
PUBLIC UTILITIES COMMISSION

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF ECONOMIC RECOVERY
AND REINVESTMENT (ARRA)

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To: Department Heads and Head of State Entities

From: Kalbert Young, Director of Finance, Department of Budget & Finance *K*
Dean Seki, Comptroller, Department of Accounting & General Services *AS*
Lynn Heirakuji, Director, Hawaii Fair Share Initiative, Lt. Governor's Office *SO*

Subject: FFATA Sub-award Reporting Requirement for Federal Prime Awardees

If your department or state entity is a prime recipient of a federal grant or contract, compliance with the reporting requirements of the Federal Funding Accountability and Transparency Act (FFATA) of 2006 is required. Auditors conducting the Single Audit have begun testing for "good faith" effort by prime awardees to comply with the reporting requirements of FFATA. As such, please ensure that your department or state entity is familiar with the requirements of FFATA and that you are in compliance with mandatory reporting requirements.

FFATA Reporting Requirement

Prime recipients awarded a new federal grant or contract equal to or greater than \$25,000 are subject to FFATA sub-award reporting requirements as described in the Office of Management and Budget memorandum issued August 27, 2010:

http://www.whitehouse.gov/sites/default/files/omb/open/Executive_Compensation_Reportin_g_08272010.pdf

The prime awardee is required to file a FFATA sub-award report by the end of the month following the month in which a sub-award is made for amounts equal to or greater than \$25,000. Note that the reporting requirement is applicable to sub-awards made to a state or local government entity.

For more information on FFATA and its reporting requirements, please go to the "FFATA Sub-award Reporting System" (FSRS) <https://www.fsrs.gov/>. Although users have reported problems with the FFATA reporting process, these problems are likely to persist because the federal government does not intend to invest in improving FSRS due to the pending DATA Act legislation. If the DATA Act is enacted it is anticipated that FFATA reporting will become part of DATA Act reporting. It is important that prime awardees report or if reporting is unsuccessful document their efforts to report sub-awards through FSRS.

Should you have any questions, please contact Mark Anderson at 586-3035.

c: Mark Anderson, State Lead ARRA Coordinator, Dept. of Budget and Finance