



**United States
Department of
Agriculture**

Food and
Nutrition
Service

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MEMO CODE: SP 36-2009

SUBJECT: Standard Award Terms and Reporting Requirements for the American Recovery and Reinvestment Act of 2009's National School Lunch Program Equipment Assistance Grants

TO: Regional Directors
Child Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

The Office of Federal Financial Management, Office of Management and Budget (OMB) has issued two memorandums supplementing, amending, and clarifying prior guidance regarding the American Recovery and Reinvestment Act of 2009 (ARRA) implementation for financial assistance awards, such as the National School Lunch Program (NSLP) equipment assistance grants. These memorandums were issued on April 3, 2009 (M09-15) and June 22, 2009 (M09-21) and can be found at http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-15.pdf and http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21.pdf, respectively. On April 23, 2009, OMB also published interim final guidance in the Federal Register at 2 CFR Part 176, codifying some of OMB's M09-15 provisions. The interim final guidance can be found at http://www.whitehouse.gov/omb/assets/fedreg_2009/042309_recovery.pdf. This memoranda and its two attachments summarizes the provisions of OMB's M09-15 and M09-21 memorandums and interim final guidance (Federal Register Vol. 74, No. 77; April 23, 2009) that directly impact NSLP State agencies and first-tier sub-recipients (i.e., school food authorities or SFAs). We strongly encourage all NSLP stakeholders to review the OMB's memorandums (M09-15 and M09-21) and interim final guidance as feedback may be submitted to recovery@omb.eop.gov (enter "guidance feedback" in the subject line of email).

Please note that the standard award terms and reporting requirements described herein only apply to funds provided to NSLP by ARRA. Also, note that this memorandum does not include all award terms that may be needed or required for grant awards, but provides greater clarification on implementing the ARRA provisions.

Per OMB's M09-15 memorandum and interim final guidance, all NSLP ARRA funds are governed by standard award terms and conditions. Please read the standard award terms and conditions carefully (see Attachment #1), as they bind all State agencies

and their sub-recipients (i.e., SFAs) receiving NSLP ARRA funds. To the extent that they conflict, the standard award terms and conditions of the ARRA supersede previous guidance issued by the Food and Nutrition Service (FNS).

The following are standard grant terms and requirements as described in OMB's M09 -15 and interim final guidance:

Grant Requirements
(Section 5.5 and 5.6 of M09-15, page 50)

All ARRA recipients are expected to follow the requirements of OMB's Circulars A-102, Grants and Cooperative Agreements with States and Local Governments, and A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Learning, Hospitals, and other Non-profit Organizations. In addition, OMB Circular A-133 and the Single Audit Act Amendments of 1996 must also be followed with respect to the ARRA funds.

Wage Rate Requirements
(Appendix 9 of M09-15, pages 169-170; 2 CFR Part 176.190 page 18463)

Section 1606 of ARRA requires that if ARRA funds are used to construct, alter, maintain, or repair a building or work, as defined in Section 1606 of ARRA, all contractors and subcontractors working on projects that receive any ARRA funds must be paid an amount at least equal to the prevailing wage for similar work, per subchapter IV of chapter 31 of title 40 of the United States Code (the Davis-Bacon Act), *regardless of whether those projects involve buildings or works owned by a government entity.*

Since the NSLP equipment assistance grants may involve the alteration of a building, the wage rate requirement of the ARRA may apply. An example of a building alteration, as it relates to the NSLP equipment assistance grant, is if a walk-in freezer was purchased with ARRA funds and walls must be demolished or constructed in order for the walk-in freezer to operate. However, as noted in previous guidance, the use of the ARRA NSLP equipment assistance grant funds for the construction, maintenance or repair of a building is prohibited. Alterations of buildings other than those needed to enable the use of ARRA-funded equipment are also prohibited.

Reporting Wrongdoing
(Section 5.9 of M09-15, page 51)

Each State and sub-grantee (i.e., SFAs) receiving ARRA funds shall promptly refer any credible evidence that a principal, employee, agent, contractor, sub-grantee, sub-contractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest,

bribery, gratuity, or similar misconduct involving those funds to an appropriate inspector general.

The following are grant terms and reporting requirements for NSLP ARRA funds as described in OMB's M09-15, M09-21, and interim final guidance:

Who Must Report?

(Section 2.10 of M09-15, pages 20-21; Section 2.2 of M09-21, pages 6-8)

The "prime" recipients are responsible for reporting the information required by ARRA and OMB's guidance, including data elements for SFAs. "Prime" recipients are non-Federal entities that receive ARRA funding directly from the Federal government (i.e., State agencies). The State agencies are also responsible for reporting data on payments made to sub-recipients. "Sub-recipients" (i.e., SFAs) are non-Federal entities that are awarded ARRA funds from the State agencies to support ARRA's NSLP equipment assistance grant projects, and does not include individuals. The reporting requirements for sub-recipients differ from prime recipients; however the terms and conditions of the ARRA are carried forward to the sub-recipient. In States where one State agency has delegated responsibility for operating NSLP to another State agency or Regional Office Administered Program (ROAP) the second State agency or ROAP must be prepared to report on its use and distribution of ARRA funds as though it were the prime non-Federal recipient. As described below, State agencies may delegate certain aspects of the ARRA reporting to the www.FederalReporting.gov website to SFAs.

Due to the nature of the NSLP equipment assistance grants, SFAs and/or school sites will be contracting with vendors. According to ARRA guidance, "vendors" are defined as a dealer, distributor, merchant or other seller providing goods or services that are required to carry out the ARRA funded project or activity. Vendors have been procured by the State agency or SFA to provide goods or services that will carry out ARRA's NSLP equipment assistance project. Vendors are not awarded funds in the same manner in which SFAs receive funds and are not subject to the terms and conditions of ARRA's financial assistance award. However, as explained in Attachment #3, the identity of a vendor must be reported if that vendor receives payments greater than \$25,000 from a State agency or SFA.

When and How Must Reports be Submitted?

**(Sections 2.11 and 2.12 of M09-15, page 22;
Sections 2.5, 2.9, and 3 of M09-21, pages 12, 14, and 16-26)**

State agencies will have two reporting deadlines. One report is an ARRA-specific quarterly report, Standard Form (SF)-425, which was due by July 10, 2009, and within 10

days of the end of each calendar quarter thereafter. This report will be submitted by the State agencies through the Food Programs Reporting System (FPRS).

A second report will be submitted through a central collection system at www.FederalReporting.gov to collect additional information as required by ARRA, including the Federal Funding Accountability and Transparency Act (FFATA) data elements for SFAs. This report is due by October 10, 2009, and within 10 days of every quarter thereafter. As discussed below, State agencies may delegate aspects of this report to its SFAs. Those authorized to submit and review reports on www.FederalReporting.gov must first register at the website prior to submitting or reviewing reports and no later than August 26, 2009. Prompt registration is encouraged.

Both reports must cover cumulative activity since ARRA's passage February 17, 2009, this includes all sub-awards (or modifications to existing awards) which utilize ARRA funding. In other words, both reports must cover all ARRA activities and expenditures from February 17, 2009 through July 10, 2009 or October 10, 2009, respectively. Each of the subsequent quarterly reports must also be cumulative. This means when reporting for the fourth quarter, data from the third quarter will also be included in the fourth quarter report to encompass the total amount of funds spent.

Please note that State agencies will continue to use the SF-269 to report on regular Child Nutrition Program funds; only the ARRA funds will be reported on the SF-425. No waivers will be granted to any recipient (prime or sub) who may have issues in meeting the reporting deadlines.

Decentralized Reporting or Delegation of Reporting:

The State agency may choose to decentralize the reporting requirements at the State level, or as mentioned above, delegate aspects of the reporting information to the www.FederalReporting.gov website to its SFAs. In either case, the State agency must ensure coordination of reporting requirements and "double counting" is avoided. The State agency is ultimately responsible for the information reported and its accuracy. Delegation may not be given to vendors.

Decentralized reporting is when the State agency allows multiple parties at the State level to submit data to the centralized reporting system (www.FederalReporting.gov), rather than a single point of entry. The State will be responsible for the design and implementation of a process to prevent State officials from creating more than one report for the same activity.

As mentioned above, the State agency has the option of delegating aspects of the centralized reporting system (www.FederalReporting.gov) to its SFAs, as it relates to the SFAs activities. If the State agency delegates reporting to its SFAs, the State agency and SFAs must ensure that duplicate reporting is avoided. At a minimum, the State must maintain an updated inventory of SFA delegations and crosscheck all data records to ensure that no reporting at the State level has occurred where delegation to the SFA has

been made. The State must also establish a policy that clearly identifies which user, the State or SFA, will make corrections to reported data when needed.

What are the Key Timeframes for www.FederalReporting.gov? (Section 3.2 of M09-21, pages 16-18)

The following is a summary of key timeframes for reporting activities on www.FederalReporting.gov:

- **Days 1-10:** State agencies and delegated SFAs prepare and enter their reporting information. The data is considered to be in pre-submission status until explicitly submitted. Using the Web-based form method, as described below, will be allowed to store draft versions of their reports. Submitted reports will be viewable by the State agency and FNS. Not submitting data reports by the end of the 10th day will be considered non-compliant with the ARRA reporting requirements.
- **Days 11-21:** State agencies are responsible for verifying submitted information for all ARRA funds for which they are responsible, for notifying SFAs of reporting errors or omissions, and for ensuring any data corrections are completed in a timely manner. State agencies will be responsible for coordinating with SFAs on any identified data corrections.
- **Days 22-29:** FNS reviews and, if determined, comment on the submitted reporting information. Submitted reports will not be editable by State agencies or delegated SFAs during this time period unless notified by the FNS. FNS will perform a data quality review and notify the State agencies and delegated SFAs of any data anomalies or questions through the www.FederalReporting.gov solution. 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 reports are made available to the public on the www.Recovery.gov website. Any data issues identified beyond the 30th day will be corrected or addressed in the next quarterly report.

What are the Methods to Submit a Report on www.FederalReporting.gov? (Section 3.6 of M09-21, pages 21-23)

After registering as an authorized party (prior to submitting or reviewing reports) on www.FederalReporting.gov, three (3) basic methods are available to submit reports into www.FederalReporting.gov. The reporting entity (i.e., State agency or SFA) may choose the most convenient method for them. The basic methods are as follows:

1. Online data entry in a Web browser. This provides a straightforward data entry form, available through the user's Web browser, to report required data elements.

- A commercial Web browser such as Microsoft's Internet Explorer, or Firefox is required for this option.
2. Excel spreadsheet. The user downloads a Microsoft Excel spreadsheet and fills in the required data fields, then uploads the spreadsheet to the www.FederalReporting.gov website with the user's web browser. Microsoft Office's Excel (Version 2003 or newer) is required to open and edit the spreadsheet file. A Web browser such as Microsoft's Internet Explorer, or Firefox is required to access the website.
 3. Custom software system extract in XML. This method may be used by States and SFAs (if designated by the State to submit reporting data elements) which have sufficient technical experience to submit properly formatted Extensible Markup Language (XML) file for their report submission. Additional detail about field constraints will be posted to www.FederalReporting.gov. Recipients are strongly encouraged to test their report structures prior to the reporting period. A Web browser such as Microsoft's Internet Explorer, or Firefox is required to access the website. Organizations must match a specific XML schema format. The schema for the data submission will be provided on the www.FederalReporting.gov website.

What Information Must Be Reported?

(Appendix 9 of M09-15, pages 123-126; 2 CFR Part 176, pages 18449-18450; Section 2.3 of M09-21, pages 8-11)

State agencies must report on their use of ARRA funds, as well as any sub-awards to SFAs. The data elements and reporting instructions for SF-425 will be provided within FPRS; however, Attachment #2 contains a copy of the SF-425 report for your convenience.

The data elements and reporting instructions for the central collection system on www.FederalReporting.gov will be provided in the *Recipient Reporting Data Model*, which will be available through OMB's website and www.Recovery.gov. Attachment #3 provides the basic reporting requirements to be reported by State agencies and SFAs, as well as vendors of SFAs. All reporting on the central collection system will be made available to the public via the www.Recovery.gov website, as well as FNS' recovery website.

How Should Jobs Created and Retained Be Reported?

(Section 2.13 of M09-15, pages 22-24; Section 5 of M09-21, pages 33-37)

While there is no requirement that NSLP ARRA funds be used to create or retain jobs, States must report if they do. For each project, activity, or contract paid with NSLP ARRA funds, State agencies must report, per quarter, *an aggregate number* and *a narrative description* of cumulative jobs that were directly (1) created or (2) retained due to ARRA funding. The narrative description may be described by job title, broad labor

category, or the State's existing practice for describing jobs, as long as the terms used are widely understood and explain the general nature of the work. "Jobs created" means positions that (1) did not previously exist or (2) previously existed but were unfilled, and are filled as a result of ARRA funding. "Jobs retained" means previously existing positions that were filled, and are retained as a result of ARRA funding. Please note that a job cannot be reported as both created and retained, and that only compensated jobs should be reported (i.e., do not report volunteers).

States or delegated SFAs must also provide the aggregate number of estimated jobs created and retained and their narrative description for each project and activity directly funded by ARRA for SFAs and the SFAs' vendors. State agencies or delegated SFAs are not required to report on indirect or induced jobs, as the State agency or SFA may not have sufficient insight or proper methodology to do so.

In limited circumstances, the State agency can apply an approved statistical methodology to generate estimates of job impact, thereby collecting data from a smaller subset of SFAs and SFAs' vendors in order to extrapolate an estimate of job impacts to all applicable SFAs and SFAs' vendors. A statistical methodology should only be employed in those cases where a comprehensive collection of jobs data from all sub-recipients and vendors is overly costly or burdensome and thus disrupts the prime recipients' ability to effectively implement the underlying mission of the program. Contact FNS for more information and approval to administer a statistical methodology.

State agencies must report jobs created and retained in full-time equivalent (FTE) format. FTEs are calculated by dividing total hours worked by the total number of hours in a full-time schedule, as defined by the State. For example, two full-time employees and one part-time employee working half-days would be reported as 2.5 FTEs in each calendar quarter. States are encouraged to provide information used to calculate their FTE figures.

States agencies are also encouraged to work with their Governors and State Workforce Investment Boards to facilitate the listing of all jobs generated through ARRA on their State Job Banks. Links to State job banks are available at the Department of Labor's Employment and Training Administration sponsored CareerOneStop Web site (www.jobbankinfo.org).

**Is there a www.FederalReporting.gov helpdesk?
(Section 3.10 of M09-21, pages 24-25)**

A helpdesk will be available on the www.FederalReporting.gov website to help users with registration and reporting processes related inquiries. Other questions related to ARRA awards should be directed to FNS' Child Nutrition Programs.

Consequences of Non-compliance?
(Section 2.10 of M09-15, page 12; 2 CFR Part 176.20(c), page 18451;
and Sections 2.7 and 2.10 of M09-21, pages 13 and 15)

State agencies and SFAs that do not meet the reporting requirements as outlined in Section 1512 of the ARRA are concerned in violation of the award agreement. Ramification for non-compliance may use any customary remedial actions necessary to ensure compliance, including withholding funds, termination, or suspension and debarment, as appropriate. No waivers will be granted to a State agency or SFA unable to meet to the reporting requirements. Reporting extensions may be granted on a case-by-case basis for extraordinary circumstances, such as natural disasters.

State agencies with questions on this memorandum should contact their Regional Offices. Regional Office questions should be directed to Lynn Rodgers-Kuperman.

Original Signed

CYNTHIA LONG

Director

Child Nutrition Division

Attachments

Attachment #1
Standard Award Terms Governing All Awards of ARRA Funds
(2 CFR Part 176)

The following must be included in the competitive grant agreements between the State agency and the SFA. If an agreement has already been issued, please ensure the following provisions are included in an addendum, if not already included in the existing agreement. (Please note, that this does not include all award terms that may be needed or required for grant awards, but provides greater clarification on implementing the ARRA provisions.):

ARRA NSLP equipment assistance grant agreement terms and conditions between States and SFAs shall indicate that *all* recipients of ARRA funds:

1. Are being made available under a one-time ARRA funding and identify what projects and/or activities are being funded under the ARRA (2 CFR Part 176.20(a)),
2. Will track and report the ARRA funds separately to maximize transparency of ARRA funding (2 CFR Part 176.20(b)),
3. Are required to follow all reporting and registration requirements under Section 1512 of the ARRA, including: (2 CFR Parts 176.20(c) and 176.50):
 - a) This award requires the recipient to complete projects or activities which are funded under the American Recovery and Reinvestment Act of 2009 (ARRA) and to report on use of ARRA funds provided through this award. Information from these reports will be made available to the public.
 - b) Submitting reports no later than ten calendar days after each calendar quarter in which the recipient receives the assistance award funded in whole or in part by ARRA.
 - c) Maintaining current registrations in the Central Contractor Registration (www.ccr.gov) at all times during which they have active federal awards funded with ARRA funds. A Dun and Bradstreet Data Universal Numbering System (DUNS) Number (www.dnb.com) is one of the requirements for registration in the Central Contractor Registration.
 - d) Reporting the information described in section 1512(c) of the ARRA using the reporting instructions and data elements that will be provided online at www.FederalReporting.gov and ensure that any information that is pre-filled is corrected or updated as needed.
4. Implement the Wage Rate Requirement of the ARRA, as necessary, as provided under 1606 of the ARRA (2 CFR Part 176.190),
5. Comply with OMB's Circulars A-102, Grants and Cooperative Agreements with States and Local Governments, A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Learning, Hospitals, and other Non-profit Organizations, and OMB Circular A-133 and the Single Audit Act Amendments of 1996 (2 CFR Part 176.210),
6. Shall promptly refer any credible evidence that a principal, employee, agent, contractor, sub-grantee, sub-contractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws

- pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds to an appropriate inspector general (Section 1553 of ARRA),
7. Separately identify each sub-recipient (i.e., SFA), and document the time of subaward (i.e., date competitive grant was awarded), the Federal award number, CFDA number (i.e., 10.579 for the purpose of NSLP's ARRA funds), and amount of ARRA funds allocated to sub-recipient (i.e., SFA) (2 CFR 176.210(c), and
 8. Failure to comply with award terms shall result in appropriate enforcement or termination action in accordance with 2 CFR Part 215.62 and/or OMB Circular A-102 grants management common rule, and included as part of the recipient's performance record (2 CFR Part 176.20 (d)).
 9. Failure to comply with the reporting requirement is considered a violation of the award term and shall result in appropriate remedial actions necessary to ensure compliance, including withholding funds, termination, or suspension and debarment as appropriate (Section 1512 of ARRA).

Attachment #2:

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)			Page 1	of		
pages								
3. Recipient Organization (Name and complete address including Zip code)								
4a. DUNS Number		4b. EIN		5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)		6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final		
7. Basis of Accounting <input type="checkbox"/> Cash <input type="checkbox"/> Accrual								
8. Project/Grant Period From: (Month, Day, Year)				To: (Month, Day, Year)		9. Reporting Period End Date (Month, Day, Year)		
10. Transactions							Cumulative	
<i>(Use lines a-c for single or multiple grant reporting)</i>								
Federal Cash (To report multiple grants, also use FFR Attachment):								
a. Cash Receipts								
b. Cash Disbursements								
c. Cash on Hand (line a minus b)								
<i>(Use lines d-o for single grant reporting)</i>								
Federal Expenditures and Unobligated Balance:								
d. Total Federal funds authorized								
e. Federal share of expenditures								
f. Federal share of unliquidated obligations								
g. Total Federal share (sum of lines e and f)								
h. Unobligated balance of Federal funds (line d minus g)								
Recipient Share:								
i. Total recipient share required								
j. Recipient share of expenditures								
k. Remaining recipient share to be provided (line i minus j)								
Program Income:								
l. Total Federal program income earned								
m. Program income expended in accordance with the deduction alternative								
n. Program income expended in accordance with the addition alternative								
o. Unexpended program income (line l minus line m or line n)								
11. Indirect Expense		a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
		g. Totals:						
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:								
13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)								
a. Typed or Printed Name and Title of Authorized Certifying Official						c. Telephone (Area code, number and extension)		
						d. Email address		
b. Signature of Authorized Certifying Official						e. Date Report Submitted (Month, Day, Year)		
14. Agency use only:								

Standard Form 425
OMB Approval Number: 0348-0061
Expiration Date: 10/31/2011

Paperwork Burden Statement

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0060), Washington, DC 20503.

Attachment #3
Summary of Basic Reporting Requirements for www.FederalReporting.gov
(2 CFR Part 176; page 18449-18450; Section 2.3 of M09-21, pages 8-11)

State agencies (or “recipient”) must report the following information to include, but not limited to:

1. Federal Funding Agency Name
2. Award identification
3. Recipient D-U-N-S
4. Parent D-U-N-S
5. Recipient CCR information
6. CFDA number, if applicable
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

SFAs (or “sub-recipient) must report the following information to include, but not limited to (also referred to as FFATA Data Elements):

1. Sub-recipient D-U-N-S
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)

Vendors of SFAs (or “Sub-Recipient Vendor”) must report the following information to include, but not limited to:

1. D-U-N-S or Name and zip code of headquarters that received payments greater than \$25,000 from an SFA.

The Central Contractor Registration (CCR) is the primary contractor database for the US Federal Government. Organizations conducting business with the Federal government must be register in the CCR. Dun & Bradstreet provides the D-U-N-S number, a unique

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9-digit identification number, for each physical location of a business organization. The CCR requires a D-U-N-S number. Both a CCR and D-U-N-S number can be obtained free of charge. SFAs should immediately obtain a D-U-N-S number (or update their existing D-U-N-S record) and a CCR. Vendors are not required to obtain a D-U-N-S number. Detailed information on CCR is available at: <http://www.ccr.gov/FAQ.aspx>. Detailed information on D&B is available at: <http://fedgov.dnb.com/webform>.