

CONTROLLER ALERT: THE DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT

Controller Alerts are designed to bring your attention to emerging financial management issues that may require agency attention or action. These Alerts are intended to ensure awareness among the Chief Financial Officer (CFO) community of key issues where the Office of Management and Budget (OMB) believes further action may be warranted, but do not constitute official guidance or require specific tasks for agencies beyond consideration of appropriate steps to address the issue.

Background

This Controller Alert describes the newly enacted Digital Accountability and Transparency Act (DATA Act), Public Law 113-101, which furthers the President's effort already underway to provide transparent federal spending information. On his first day in Office, President Obama signed the [Memorandum on Transparency and Open Government](#), ushering in a new era of open and accountable government meant to bridge the gap between the American people and their government. Since then, the Administration has taken clear steps to establish an unprecedented level of transparency in federal spending, including:

- Under the American Recovery and Reinvestment Act (Recovery Act), the public can view [Recovery Act spending](#) by federal award;
- Under OMB's [M-09-19](#) and OMB's [August 2010](#) Memoranda, the Administration is tracking all types of federal award spending in [USASpending.gov](#);
- Under [OMB's June 2013 Memorandum](#), federal agencies have established methodologies to validate the financial data on [USASpending.gov](#); and
- Consistent with the Fiscal Year (FY) 2014 Consolidated Appropriations Act, OMB designated the U.S. Department of the Treasury with program management oversight for [USASpending.gov](#). Treasury is currently working to improve the usability and functionality of [USASpending.gov](#).

DATA Act Requirements

On May 9, 2014, the President signed into law the [Digital Accountability and Transparency Act, Public Law 113-101](#), which will further the Administration's achievements in providing transparent federal spending information. The new legislation includes a number of requirements that complement existing work, including those listed here.

- Expansion of Data Posted on [USASpending.gov](#). No less than on a quarterly basis, Treasury, in consultation with OMB, shall report expanded data on [USASpending.gov](#), to include obligations and expenditures related to all federal spending by appropriations account, object class, and program activity. The bill requires agencies to report information by "program activity," which is not a data element in agency systems. To avoid public reporting of information that is incomplete or potentially inaccurate, OMB and Treasury have committed to produce reports that link to spending data in agency financial systems.
- Establishment of [USASpending.gov](#) Data Standards. The Act requires Treasury and OMB, in consultation with the heads of Federal agencies, to establish government-wide financial data standards for information posted on [USASpending.gov](#).

- Recommendations for Streamlined Recipient Reporting Burden. The Act requires OMB to establish a pilot program to develop recommendations on standardizing grant and contract recipient reporting, eliminating unnecessary duplication of financial reporting, and reducing burdensome reporting requirements.
- Establishment of a Data Analysis Center. The Act provides authority for Treasury to establish or expand services to provide data analytics to support the prevention and reduction of improper payments by Federal agencies and improve the efficiency and transparency in Federal spending.
- Requirement to Report Non-Tax Debt. The Act requires a federal agency to notify the Secretary of the Treasury of any legally enforceable non-tax debt owed to such agency that is over 120 (currently, 180) days delinquent so the Treasury can offset such debt administratively. The Act also requires Treasury to notify Congress of any instance in which an agency fails to notify Treasury of such a debt.
OMB and Treasury will work with federal agencies through the CFO Council, the Council on Financial Assistance Reform (COFAR), and other appropriate bodies to implement the Act's requirements and provide additional implementation guidance, ensuring our approach considers the realities of the funding environment and reflects how funds are currently tracked through the budget process and in agency financial systems.

If you have any questions regarding this Alert, please contact Karen F. Lee (klee@omb.eop.gov).

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