The Transparency Act ensures that the public can access information on all entities and organizations receiving Federal funds. The act gives the public the ability to identify all Federal awards and analyze spending trends on the searchable Web site—www.USASpending.gov.

The USASpending Web site collects data on contracts, grants, loans, and other types of spending and allows the public to search the data. Before October 2010, the Web site only included data on awards made to prime contractors and prime grant awardees. Now, the Web site includes data on subawards in excess of $25,000 and, in some instances, executive compensation.

Let's look at the subaward reporting process, along with your agency’s responsibilities for complying with requests for information.

Typically, the Federal Highway Administration awards the State department of transportation, the State DOT, a Federal-aid highway program grant. The State DOT as the prime grant awardee enters into an agreement with a local public agency (LPA) to perform the grant activities. This agreement is referred to as a subaward.

As the prime grant awardee, the State DOT has the added responsibility for recording the subaward – along with your agency’s name, the amount of the award, and your location – into one of the systems that contributes to the USASpending Web site.

There are some instances that require reporting the names of and compensation for the agency’s top five most highly compensated executives on USASpending.gov, even when this information is available directly from your State.
These reporting requirements are triggered when:

- Your agency receives 80 percent or more and $25 million or more of its gross annual revenues from Federal awards
- The public does not have access to the information through the Securities and Exchange Commission or Internal Revenue Service

If your agency meets these criteria, the State DOT will need to collect executive compensation information from your agency.

By law, as the prime grant awardee, your State DOT has only 30 days after the end of the month in which the subaward was issued to comply with the Transparency Act. To allow them to meet the reporting requirements, as a sub-awardee it’s your agency’s responsibility to respond quickly to an information request from the State DOT.

To see what has already been reported on your agency, visit the Transparency Act Web site at USASpending.gov.
Web Resources

- Guidance on Federal Funding Accountability and Transparency Act Subaward Reporting System
  https://www.fsrs.gov/

- Link to USA Spending.gov Web site and information on subaward reporting
  http://www.usaspending.gov/sub-award-documents

The content of this document is not a substitute for information obtained from State departments of transportation, appropriate FHWA Division Offices, and applicable laws. Scenarios have been simplified for emphasis and do not necessarily reflect the actual range of requirements applicable to the scenario or this topic. This document was created under contract number DTFH61-11-D-00025 by the Federal Highway Administration, U.S. Department of Transportation, and is offered to the public to heighten and focus awareness of Federal-aid requirements within the local public agencies community and reinforces the importance of these necessary policies, procedures, and practices.

This companion resource is the script content for the video production of the same name.