



Fact Sheet: POGO Supports Modernizing Subaward Reporting System

The Problem

The government has long had challenges in maintaining accurate, complete, and consistent data to track its spending. Just recently, in November 2023, the Government Accountability Office (GAO) found problems with the official source of federal spending information, USAspending.gov: 49 agencies hadn't reported data from fiscal year 2022 to USAspending.gov; the missing data from just 25 of those agencies was worth more than \$5 billion.¹ Specific problems include subaward totals that exceed the prime award amount (primary grant recipients can distribute a portion of the award to a subrecipient to execute tasks on specific projects), duplicate subaward records, and missing subaward data.² This leaves Congress and the American public unable to find reliable answers to key questions about federal spending: What was it used for? Were communities or businesses missed? Was the money spent equitably?

The Solution

The Federal Subaward Reporting System Modernization and Expansion Act of 2024 (H.R. 7598), introduced by Representative Nick Langworthy (R-NY) and co-sponsored by a bipartisan cohort, would review, update, and expand the Federal Funding Accountability and Transparency Act's subaward reporting system, the source for USAspending.gov data.³ This is a critical step toward ensuring that accurate award data guides congressional spending decisions and that federal funds reach historically marginalized communities. The Project On Government Oversight (POGO) supports this essential legislation, which would:

- 1. Require the inspector general of the General Services Administration to review and submit a comprehensive report on the Federal Subaward Reporting System.**

This review would identify issues within the system, assess federal agencies' compliance with reporting requirements and the efficiency of enforcement measures, and recommend system improvements.

- 2. Require the General Services Administration, Office of Management and Budget, and Department of the Treasury to issue annual plans to improve the reporting system until it is fully implemented.**

The legislation would require these agencies to consult with each other to develop and implement a plan that ensures that the first tier of subawards (direct subrecipients) made

¹ Government Accountability Office, *Federal Spending Transparency: Opportunities to Improve USAspending.gov Data* (November 7, 2023), <https://www.gao.gov/products/gao-24-106214>.

² Government Accountability Office, *Federal Spending Transparency: Opportunities Exist to Improve COVID-19 and Other Grant Subaward Data on USAspending.gov* (November 16, 2023), <https://www.gao.gov/products/gao-24-106237>.

³ Federal Subaward Reporting System Modernization and Expansion Act, H.R. 7598, 116th Cong. (2024), <https://www.congress.gov/bill/118th-congress/house-bill/7598/text?s=1&r=4>.

under a prime federal award is properly descriptive, timely, and accurate. In drafting the plan, they must consider the next generation of the Federal Subaward Reporting System by identifying technical, legal, and resource barriers annually.

3. Require the General Services Administration to expand subaward reporting.

The legislation will not only focus on the first tier of subawards but also prepare for the second tier. The head of each agency will be required to collect information on the first two tiers of subawards (direct subrecipient and awards they give to another subrecipient), and the General Services Administration in consultation with the Office of Management and Budget will issue rules and develop an annual expansion implementation plan.

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