

Part 2. Replacement of Section 5 of M-09-21 – Reporting on Jobs Creation Estimates by Recipients of Grants, Loans, and other forms of Federal Assistance

5.1 What reporting is required by the Recovery Act for estimates of jobs created or retained and what changes have been made to the job calculation methodology?

There are two distinct types of jobs reports that are required in the accountability and transparency provisions of the Recovery Act.¹

1. The Council of Economic Advisers (CEA), in consultation with OMB and Treasury, are required by Section 1513 of the Recovery Act to submit quarterly reports to Congress that detail the impact of all Recovery Act funding on employment, economic growth, and other key economic indicators.
2. Recipients of Recovery funds subject to Section 1512 are required to submit estimates of jobs created and jobs retained for each project or activity in their recipient reports.

Based on feedback from the recipient community and the Federal agencies, this section of M-09-21, *Implementing Guidance for the Reports on the Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009*, published June 22, 2009, is updated as of December 18, 2009. This update incorporates best practices and lessons learned from the first Recovery Act recipient reporting period, which ended September 30, 2009, by simplifying the formula used to calculate job estimates and providing additional examples of how to apply this formula so recipients can accurately and easily report estimates of jobs created or jobs retained as a result of Recovery Act funding.

This updated guidance reflects an important change and simplification to the manner in which job estimates are calculated and reported. In previous guidance, recipients were required to sum all hours worked from the current and all prior quarters and divide that total against a cumulative sum of all full-time hours from the current and prior reporting quarters. This ratio provided an average Full Time Equivalent (FTE) estimate by project over all reporting quarters since the start of the Recovery Act.²

A significant number of recipients expressed concern with the complexity of the multiple steps involved with this formula. As a result of this feedback, this updated guidance changes the job estimate calculation such that the recipient will now report job estimate totals by dividing the hours worked in the reporting quarter (i.e., the most recent quarter) by the hours in a full-time schedule in that quarter. Recipients will no longer be required to sum across multiple quarters of data as part of the formula.

¹ Title XV of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5)

² This update reflects a quarterly reporting approach rather than a cumulative reporting approach embodied in previous guidance. Other reporting elements will continue to be cumulative unless otherwise noted. This includes, for example, the narrative description of job estimates and the amount of funds expended. The data reporting model, Supplement 2 to M-09-21 found at www.omb.gov/recovery includes all applicable updates and instructions.

A second important change is in the definition of a job created or retained. Previous guidance required recipients to make a subjective judgment on whether a given job would have existed were it not for the Recovery Act. The updated guidance eliminates this subjective assessment and defines jobs created or retained as those funded in the quarter by the Recovery Act. Jobs funded with non-Recovery Act funds will not be counted unless they will be reimbursed (See Section 5.9). Jobs funded partially with Recovery Act funds will only be counted based on the proportion funded by the Recovery Act (See Section 5.5).

Please note that certain recipients, such as those funded by Department of Transportation, have job reporting requirements in the Act that go beyond Section 1512. Recipients must follow this guidance with respect to the reporting requirements under Section 1512 and must also comply with program- and agency-specific requirements.

5.2 What are the key principles of reporting estimates of jobs created and jobs retained?

The key principles below provide an overview of recipient reporting on the estimated employment impact of the Recovery Act-funded work.

1. The Section 1512 reports contain only estimates of jobs created and jobs retained. These estimates are entered by recipients into the “Number of Jobs” data field in the reports submitted to FederalReporting.gov.
2. Definitions of jobs considered to be created or retained:
 - a. A job created is a new position created and filled, or an existing unfilled position that is filled, that is funded by the Recovery Act;
 - b. A job retained is an existing position that is now funded by the Recovery Act.

Using the definitions above, recipients must estimate the total number of jobs that were funded in the quarter by the Recovery Act. A funded job is defined as one in which the wages or salaries are either paid for or will be reimbursed with Recovery Act funding.

3. A job must be counted as either a job created or a job retained; it cannot be counted as both. Additionally, only compensated employment in the United States or outlying areas should be counted. See 74 FR 14824 for definitions.
4. The estimate of the number of jobs created or retained by the Recovery Act should be expressed as “full-time equivalents” (FTE). In calculating an FTE, the number of actual hours worked in funded jobs are divided by the number of hours representing a full work schedule for the kind of job being estimated. These FTEs are then adjusted to count only the portion corresponding to the share of the job funded by Recovery Act funds. Alternatively, in cases where accounting systems track the billing of workers’ hours to Recovery Act and non-Recovery Act accounts, recipients may simply count the number of hours funded by the Recovery Act and divide by the number of hours in a full-time schedule. See Section 5.3 for further details.

5. Prime recipients are required to report an estimate of jobs directly created or retained by project and activity or contract and enter this information into a single numeric field on Recovery.gov.
6. Prime recipients of grants, cooperative agreements, and loans must include an estimate of jobs created and retained on projects and activities managed by *their* funding recipients (i.e. sub-recipients) in the numeric and narrative data fields mentioned in 5.2.3 above. See Section 5.7 for further details.
7. Except as provided in 5.2.8 below for critical support positions, recipients should not attempt to report the employment impact upon materials suppliers and central service providers (so-called “indirect” jobs) or on the local community (“induced” jobs).
8. Recipients are asked to provide a narrative description of the employment impact. The narrative should include a brief description of the types of jobs created or retained. This description may rely on job titles, broader labor categories, or the recipient’s existing practice for describing jobs as long as the terms used are widely understood and describe the general nature of the work.
9. Recipients will report on only projects and activities funded in whole or in part by the Recovery Act.
10. This Guidance does not establish specific requirements for documentation or other written proof to support reported estimates on jobs created or retained; however, recipients should be prepared to justify their estimates. Recipients must use reasonable judgment in determining how best to estimate the job impact of Recovery dollars, including the appropriate sources of information used to generate such estimate. Where such written evidence exists, it can be an important resource for validating the job estimates reported.
11. In addition to providing this information by project and activity as required by the Recovery Act, as a best practice it is also recommended that State governments post the employment impact of all recovery funds prominently on the State recovery website.
12. Effective February 2, 2010, the FederalReporting.gov solution will be open for corrections of all data submitted for the quarter ending December 31, 2009. Recipients will have the ability to make correction up until the start of the next reporting period. For example, from February 2, 2010 through March 31, 2010, recipients will have the ability to correct data for the quarter ending December 31, 2009.

Except as outlined in Section 5.10, the recipient will not have the ability to correct any data submitted for the quarter ending September 30, 2009, (i.e. the prior quarter). It follows that once the next reporting period begins on April 1, 2010, the recipient will no longer have the ability to make corrections to prior quarters, i.e., the quarters ending September 30, 2009 and December 31, 2009.

During periods of continuous corrections, Federal agencies are required to make reasonable efforts to monitor such corrections and, prior to the end of the corrections period for a given quarter, communicate to recipients any corrections determined by the Federal agency to be erroneous.

5.3 What methodology should recipients use when estimating the number of jobs created or retained?

The requirement for reporting estimates of the “Number of Jobs” is based on a simple calculation used to avoid overstating the number of other than full-time permanent jobs. This calculation converts part-time or temporary jobs into fractional “full-time equivalent” (FTE) jobs. *Full-time equivalent (FTE) employment* is a standard concept used by the Office of Personnel Management.³

In order to perform the calculation, a recipient will need the total number of hours worked by employees in the most recent quarter (the quarter being reported) in jobs that meet the definition of a job created or a job retained as defined in section 5.3.2. The recipient will also need the number of hours in a full-time schedule for the quarter. For instance, if a full-time schedule is 2,080 hours/year, the number of hours in a full-time schedule for a quarter is 520 (2,080 hours/4 quarters = 520). The formula for reporting can be represented as:

$$\frac{\text{Total Number of Hours Worked and Funded by Recovery Act within Reporting Quarter}}{\text{Quarterly Hours in a Full-Time Schedule}} = \text{FTE}$$

Please note that the reporting period quarters are defined as:

1. Quarter 1: January 1 – March 31
2. Quarter 2: April 1 – June 30
3. Quarter 3: July 1 – September 30
4. Quarter 4: October 1 – December 31

The FTE formula is intended to prevent over-counting of short-term or part-time jobs. For example, if a job is funded by the Recovery Act, but the individual’s employment only lasts for one week, then a full job will not be reported. In this case, the FTE formula will discount the job total to reflect the temporary nature of the job. Only jobs that are funded directly by the Recovery Act are counted as created or retained.

Example: Assume that a recipient’s Recovery Act funds paid for two full-time employees and one part-time employee working half days for the quarter. Also assume that the recipient’s full-time schedule for the quarter is 520 hours (2,080 hours in a work-year divided by 4). To convert hours worked to number of FTE for the quarterly report, aggregate all hours worked and divide by the number of hours in a full-time schedule for the quarter.

³ This definition is taken from OMB Circular A-11, Preparation, Submission and Execution of the Budget 2009. http://www.whitehouse.gov/omb/circulars_a11_current_year_a11_toc/

In this example, two full-time employees each worked 520 hours (1,040 hours combined) + one employee worked half-time or 260 hours for a total of 1,300 hours worked. Divide total number of hours worked by the number of hours in a full-time schedule for the quarter:
 $1,300 \div 520 = 2.5$ FTE reported for jobs.

Please note that this formula has been revised based on feedback to make it easier to apply than the formula provided in OMB Guidance M-09-21, June 22, 2009. Under the revised guidance, recipients should not cumulate hours worked across several quarters.

Period	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
Full-Time Schedule (Denominator)	520	520	520	520	520	520
Full Time Employee 1	520	520	520	260	130	130
Full Time Employee 2	520	520	260	260	130	130
Part Time Employee (half time)	260	260	260	260	130	130
Temporary Employee (390 hrs)	0	0	130	130	130	0
Total Hours Worked (Numerator)	1,300	1,300	1,170	910	520	390
Quarterly FTE Reported	2.50	2.50	2.25	1.75	1.0	0.75

Note Relating to OMB Circular A-21: For recipients of assistance agreements that must comply with OMB Circular A-21, Cost Principles for Educational Institutions, an alternative calculation based upon the allocable and allowable portion of activities expressed as a percentage is acceptable to estimate jobs created and retained. OMB Circular A-21 recognizes that practices vary among educational institutions as to the activity constituting a full workload. Compensation charged to sponsored projects must conform to the institution’s established policies and reasonably reflect the activity for which the employee is compensated. Charges to sponsored projects may be expressed as a percentage of their total activities. Therefore, for purposes of ARRA reporting of jobs created or retained, colleges and universities may count, proportionately, the percentage of effort directly charged to ARRA awards as an FTE equivalent.

Under this alternative calculation and consistent with this Guidance, job estimates will be reported:

1. Based on the total available time in the reporting period, regardless of when the grant period or employment period begins.

For example, if a lab technician charges 100% effort on a project for only one month in the quarter being reported (but zero effort the other two months because no work was performed or the grant was not yet awarded), then the recipient report should reflect 0.33 FTE for that individual.

2. For all reporting periods that the grant is active.

For example, if a researcher provides 100% effort in the grant’s first quarter and 50% effort in the grant’s second quarter, the recipient report for the first quarter will reflect 1 FTE and the second will reflect 0.5 FTE.

5.4 What are the step-by-step instructions for recipients to calculate their estimates of jobs created and retained using the formula above?

Successful use of the formula is dependent upon correctly inputting the appropriate number of hours in the numerator (or “top” of the formula) and the denominator (or “bottom” of the formula). This section will walk through the steps recipients must take to use the formula to calculate jobs estimates for projects and activities fully funded by Recovery Act funds. The following Section 5.5 outlines how to calculate estimates for projects and activities with multiple funding streams (i.e. partially funded by the Recovery Act).

Elaborating upon the example provided earlier in Section 5.3, assume the recipient is City Library with a standard full-time work week of 40 hours. The library receives a Recovery grant and is able to hire two full-time librarians and one part-time bookkeeper. These three new hires are in addition to the two full-time librarians already employed by City Library who are paid out of a non-Recovery Act funding source.

First, City Library assesses which hours worked should be included into the calculation by looking at its payroll. It will only include the hours worked for Washington, Madison and Jefferson whose jobs were funded by the Recovery Act.

Employee Name	Job Title	Funded by the Recovery Act?	ARRA Hours Worked in Qtr
J. Adams	Librarian	No	0
A. Jackson	Librarian	No	0
M. Washington	Librarian	Yes	520
D. Madison	Librarian	Yes	520
T. Jefferson	Bookkeeper	Yes	260
TOTAL HOURS FUNDED IN QUARTER			1,300

The library will not include the hours worked by Adams or Jackson whose jobs were funded from sources other than the Recovery Act.

City Library maintains a 40 hour per week full-time schedule. It must represent its full-time schedule in reporting quarters, not work weeks. To do this City Library must:

- (a) Calculate how many full-time work hours are in a quarter:
 - 40 hours in a full-time work week schedule
 - x 13 weeks in a quarter
 - 520 total work hours in a quarter

(b) City Library enters its calculations into the numerator and denominator of the formula to convert its hours worked into FTEs for the estimate of jobs created and retained by its Recovery grant.

$$\frac{1300 \text{ Recovery Act Funded Hours Worked and Funded by Recovery Act}}{520 \text{ Hours in a Full-Time Schedule}} = 2.5 \text{ FTE}$$

City Library will report **2.5** FTEs into the “**Number of Jobs**” data field in FederalReporting.gov.

Assume now that in a subsequent quarter, City Library begins paying Adams and Jackson with Recovery Act funds along with other employees. Then Adams and Jackson should count toward the numerator in that quarter. The new numerator is now 2,340.

Employee Name	Job Title	Funded by the Recovery Act?	ARRA Hours Worked in Qtr
J. Adams	Librarian	Yes	520
A. Jackson	Librarian	Yes	520
M. Washington	Librarian	Yes	520
D. Madison	Librarian	Yes	520
T. Jefferson	Bookkeeper	Yes	260
TOTAL HOURS FUNDED IN QUARTER			2,340

The denominator remains the same, as a full-time schedule for City Library is still 520 work hours per quarter. Entering the new numerator, City Library obtains a new estimate of the number of FTE jobs created and retained by its Recovery Grant:

$$\frac{2,340 \text{ Recovery Act Funded Hours Worked and Funded by Recovery Act}}{520 \text{ Hours in a Full-Time Schedule}} = 4.5 \text{ FTE}$$

In the subsequent quarter, City Library will report **4.5** FTEs into the “**Number of Jobs**” data field in FederalReporting.gov.

5.5 How do recipients include estimates for jobs partially funded by the Recovery Act?

In calculating an FTE for situations in which hours worked are partly funded by the Recovery Act, recipients should use the steps outlined in Section 5.3, and in doing so, assess what portion of hours worked are funded by the Recovery Act. For example, County Corrections assesses which hours worked should be included into the calculation by looking at its payroll. It will only include the hours worked for Carter, Coolidge, and Taylor whose jobs were funded by the Recovery Act.

Employee Name	Job Title	Funded by the Recovery Act?	Hours Worked Total	Hours Funded by ARRA
H. Hoover	Guard	No	n/a	
W. Harding	Custodian	No	n/a	
J. Carter	Technician	Yes	520	520
C. Coolidge	Guard	Yes	520	130
Z. Taylor	Guard	Yes	520	130
TOTAL HOURS WORKED IN QUARTER			1,560	780

County Corrections will not include the hours worked by Hoover or Harding who were already employed prior to receiving the Recovery grant and whose jobs were funded from sources other than the Recovery Act.

County Corrections determines that part of Coolidge and Taylor’s time was funded from the Recovery Act and part was funded from other sources. Specifically, 25% of the hours for Coolidge and Taylor were paid for with Recovery Act funds. County Corrections thus adjusts the hours of Coolidge and Taylor downward from 520 to 130. County Corrections determines that Carter’s job is fully funded by the Recovery Act, so it counts all of his hours. Now County Corrections applies the same remaining steps from Section 5.4 above:

- (a) Calculate how many full-time work hours are in a quarter.
 - 40 hours in a full-time work week schedule
 - x 13 weeks in a quarter
 - 520 total work hours in a quarter

(b) County Correction enters its calculations into the numerator and denominator of the formula to convert its hours worked into FTEs for the estimate of jobs created and retained by its Recovery grant.

$$\frac{780 \text{ Recovery Act Funded Hours Worked and Funded by Recovery Act}}{520 \text{ Hours in a Full-Time Schedule}} = 1.5 \text{ FTE}$$

County Corrections will report **1.5 FTEs** into the “**Number of Jobs**” data field in FederalReporting.gov.

Alternatively, County Corrections may know the overall portion of Recovery Act funds used to pay the salary of its employees, but it may not have that information for each individual employee. In that case, County Corrections should use an alternative calculation in which an adjustment is made to the FTE number to match the appropriate percentage of Recovery funding. For example, suppose the work hours for Carter, Coolidge and Taylor are funded partly by the Recovery Act and partly with local funds, with half of the funding coming from the Recovery Act. Then County Corrections will first count the total number of FTEs associated with these three jobs, and second adjust these FTEs based on the proportion of funding associated with the Recovery Act.

Employee Name	Job Title	Funded by the Recovery Act?	Hours Worked Total
H. Hoover	Guard	No	n/a
W. Harding	Custodian	No	n/a
J. Carter	Technician	Yes	520
C. Coolidge	Guard	Yes	520
Z. Taylor	Guard	Yes	520
TOTAL HOURS WORKED IN QUARTER			1,560

(a) Calculate how many full-time work hours are in a quarter.

$$\begin{array}{r}
 40 \text{ hours in a full-time work week schedule} \\
 \times \text{ 13 weeks in a quarter} \\
 \hline
 520 \text{ total work hours in a quarter}
 \end{array}$$

(b) County Corrections enters the total hours worked for its employees into the numerator and the total quarterly hours into the denominator to convert its hours worked into FTEs for the estimate of jobs created and retained by its Recovery-funded project.

$$\frac{1,560 \text{ Recovery Act Funded Hours Worked and Funded by Recovery Act}}{520 \text{ Hours in a Full-Time Schedule}} = 3.0 \text{ FTE}$$

Now, given that County Corrections determined that employees were funded 50% by the Recovery Act, it multiplies the number of FTEs by 50% to obtain the number of Recovery Act FTEs:

$$3 \text{ Total FTEs} \quad \times \quad 50\% \quad = \quad 1.5 \text{ FTE}$$

County Corrections will report 1.5 FTE into the “**Number of Jobs**” data field in FederalReporting.gov.

5.6 Will recipients be able to calculate their jobs estimates by using a tool such as a “jobs calculator?”

While there is not currently an online Recovery Act “jobs calculator,” this Guidance provides a straightforward summary document of the calculation methodology. The summary outlines the necessary calculations to estimate the jobs created and retained for Recovery funded projects or activities by Recovery award. See ARRA Jobs Worksheet, Attachment A.

5.7 How should recipients estimate the job impact of funding provided to sub-recipients?

Recipients must include an estimate of jobs created and retained on projects and activities managed by their funding recipients (i.e. sub-recipients) in the “Number of Jobs” field and their

narrative description. This information will be provided for each project and activity funded by the Recovery Act. The clarification that recipients must report jobs estimates for all sub-awarded funds was an update from guidance prior to June 2009.⁴

For example, City Library receives a \$10 million Recovery Act-funded grant to develop a youth summer reading program. Assume the library uses \$1 million to administer the program, including the hiring of five FTE, and distributes nine \$1 million grants to area nonprofits focused on reading and education. In this case, City Library will report the direct job creation of the 5 FTE, and it would also provide an estimate of the total employment impact of the nine \$1 million grants (using the same FTE methodology discussed in Section 5.3).

Prime recipients are required to generate estimates of job impact by directly collecting specific data from sub-recipients and vendors⁵ on the total FTE resulting from a sub-award. To the maximum extent practicable, information should be collected from all sub-recipients and vendors in order to generate the most comprehensive and complete job impact numbers available.

5.8 In what circumstances are jobs reported in a prior quarter included or removed from a recipient’s reports in a subsequent quarter?

Once a job is reported by a recipient as created or retained by the Recovery Act, the recipient shall continue to report this job as created or retained in subsequent quarters as long as the job continues to be funded by the Recovery Act. The example below demonstrates this principle:

City Public Transportation reported 5 jobs in Quarter 1, consistent with the below table and calculation.

QUARTER 1

Employee Name	Job Title	Funded by the Recovery Act?	Hours Worked Total	Hours Funded by ARRA
J. Q. Adams	Driver	Yes	520	520
A. Johnson	Mechanic	Yes	520	520
C. A. Arthur	Mechanic	Yes	520	520
G. Cleveland	Driver	Yes	520	520
R. Nixon	Mechanic	Yes	520	520
TOTAL HOURS WORKED IN QUARTER			2,600	2,600

- (a) Calculate how many full-time work hours are in a quarter.
 - 40 hours in a full-time work week schedule
 - x 13 weeks in a quarter
 - 520 total work hours in a quarter

⁴ Recipients are no longer permitted to request the use of statistical sampling. In previous guidance, OMB included the option for statistical sampling, but no recipients applied for this option within the Federal agency deadline.

⁵ Except as provided by Section 5.2.8, job estimates regarding vendors of prime- or sub-recipients as defined in Section 2.2 should be limited to direct job impacts for the vendor and not include “indirect” or “induced” jobs (see Sections 5.2.7 and 5.2.8).

(b) City Public Transportation enters its calculations into the numerator and denominator of the formula to convert its hours worked into FTEs for the estimate of jobs created and retained by its Recovery grant.

$$\frac{2,600 \text{ Recovery Act Funded Hours Worked and Funded by Recovery Act}}{520 \text{ Hours in a Full-Time Schedule}} = 5 \text{ FTE}$$

City Public Transportation will report **5 FTEs** into the “**Number of Jobs**” data field in FederalReporting.gov for Quarter 1.

QUARTER 2

Employee Name	Job Title	Funded by the Recovery Act?	Hours Worked Total	Hours Funded by ARRA
J. Q. Adams	Driver	Yes	520	520
A. Johnson	Mechanic	Yes	520	520
C. A. Arthur	Mechanic	Yes	520	520
G. Cleveland	Driver	Yes	520	0
R. Nixon	Mechanic	Yes	520	0
TOTAL HOURS WORKED IN QUARTER			2,600	1,560

In Quarter 2, City Public Transportation no longer funds Cleveland and Nixon with Recovery Act dollars. However, City Public Transportation continues to fund Adams, Johnson and Arthur with Recovery Act dollars. City Public Transportation will do the following calculation for Quarter 2:

- (a) Calculate how many full-time work hours are in a quarter.
- 40 hours in a full-time work week schedule
 - x 13 weeks in a quarter
 - 520 total work hours in a quarter

(b) City Public Transportation enters its calculations into the numerator and denominator of the formula to convert its hours worked into FTEs for the estimate of jobs created and retained by its Recovery grant.

$$\frac{1,560 \text{ Recovery Act Funded Hours Worked and Funded by Recovery Act}}{520 \text{ Hours in a Full-Time Schedule}} = 3 \text{ FTE}$$

City Public Transportation will report **3 FTEs** into the “**Number of Jobs**” data field in FederalReporting.gov for Quarter 2.

A different situation arises if the workers are hired for a definite term, with a plan to pay a portion of their wages and salaries over that term with Recovery Act funds and the remaining portion with non-Recovery Act funds. In this case, the recipient should compute the jobs created or saved as in the second example of Section 5.5, above: It should compute the total number of FTEs involved in the project in the relevant quarter, then multiply this by the share of the project’s costs

that are paid with Recovery Act funds. The resulting number of Recovery Act FTEs should be reported in the “Number of Jobs” data field. This is true even if the Recovery Act and non-Recovery Act funds are charged at different times during the course of the project. For example, suppose that a recipient school district plans to use a combination of Recovery Act funds and non-Recovery Act funds to hire 100 new, full time teachers for the school year, with half of the funds coming from the Recovery Act. Then the recipient should: 1) count all the hours worked by the teachers in the current reporting quarter (5,200); 2) divide that number into the number of hours in a full time schedule for a quarter (520), yielding a total of 100 FTEs; and 3) multiply this number by the percentage of the project funded by the Recovery Act (50%). Thus, the district reports 50 FTEs in each quarter. The reporting is the same if the Recovery Act funds are drawn down evenly across the four quarters of the year or if Recovery Act funds are used exclusively for the first half of the year and non-Recovery Act funds are used for the second half; the key factor is the share of the overall project funded by the Recovery Act.

This example should be distinguished from the example of City Public Transportation above. In that example, it was assumed that the recipient hired its employees for an indefinite term. Thus, each quarter, the recipient must re-determine the percentage of work hours (if any) funded by the Recovery Act. When the recipient stops paying Cleveland and Nixon with Recovery Act funds, it no longer counts their work hours when calculating the job total. By contrast, in the school district example, the employees were hired for a defined period of one year with a plan to use both Recovery Act and non-Recovery Act funds to pay their salaries. Thus, as long as the 100 FTEs continue to work in each quarter of that year, the 50 jobs (discounted to reflect partial funding) should be reported in each quarter. Even if the recipient expended only the Recovery Act portion of funds in the first two quarters of the school year to pay the salaries for the 100 teachers and then expended only the non-Recovery Act portion of the funds in the second two quarters of the school year to pay the salaries of these same 100 teachers, then the recipient should still report 50 jobs in each of the four reporting quarters.

5.9 Can a job be reported as created or retained before Recovery Act dollars are expended?

As described in Section 5.2 above, a funded job is defined as one in which the wages or salaries are either paid for or will be reimbursed with Recovery Act funding. Thus, a job that is paid initially with non-Recovery Act dollars may be reported as created or retained as long as such dollars eventually will be reimbursed with Recovery Act funds for the jobs being reported. For example, a recipient may decide to begin hiring new employees as soon they are notified of the amount of their Recovery Act award, but before Recovery Act dollars are received or expended. If, in this situation, the non-Recovery Act dollars that are paying the wages of the new employees were used as an advance on the Recovery Act dollars awarded, the recipient can appropriately report these jobs as created or retained. However, if the recipient does not intend to use its Recovery Act award to reimburse for the previous expenditure of non-Recovery Act funds on wages and salaries, then the hours for such jobs should not be reported in the calculation of jobs created or retained. If the reimbursement occurs after the job is terminated, the recipient only reports the jobs as created or retained during quarters in which the employment actually occurred.

5.10 When should recipients make corrections to incorrect job estimates and any other incorrect data from prior reporting quarters?

As noted in Section 5.2 above, effective February 2, 2010, the FederalReporting.gov solution will be open for continuous corrections of data. However, such corrections can only be made for the reporting quarter (i.e., the most recent quarter). Corrections for prior quarters will be handled as follows:

- Federal agencies subject to this Guidance shall instruct recipients to maintain within their administrative records comprehensive information on any and all necessary corrections to prior quarter data.
- Recipients will be required, at a time and process to be specified in the future, to submit this information to the Federal government, after which the Recovery and Accountability Transparency Board will determine the best approach for making this information available on Recovery.gov.

Consistent with requirements of Section 1512 (c) of the Recovery Act, recipients are required to make corrections to erroneous or missing data submitted in prior quarters. As noted above, this information will not be submitted through FederalReporting.gov at this time. Instead, recipients wishing to make corrections or non-reporters wishing to submit reports for prior quarters shall maintain this information in their administrative records for submission in a manner to be specified at a later date. Also, the clarifications to the definition of a job created or retained included in this guidance are not intended to be retroactive to the quarter ending September 30, 2009. Thus, recipients are not required to re-calculate and/or correct job estimate totals for the quarter ending September 30, 2009 based on the definitional clarifications in this guidance. Any corrections to job estimate totals reported for the quarter ending September 30, 2009 should rely on the definition of a created or retained job included in the prior guidance, OMB Memorandum 09-21, issued June 22, 2009.

5.11 What previously published jobs-related guidance exists for recipients submitting their Section 1512 recipient reports?

This Guidance updates the original Section 5 – Reporting on Jobs Creation Estimates by Recipients of OMB Memorandum 09-21 (http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21.pdf). The Recipient Reporting Data Model, Supplement 2 of M-09-21, has also been updated to align with all changes included in this updated guidance. The updated Supplement 2 can be found at: http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21-supp2.pdf. This guidance supersedes all Frequently Asked Questions (FAQs) related to jobs guidance issued since the passage of the Recovery Act. The relevant FAQs have been removed from the OMB website and Recovery.gov to avoid confusion. Federal agencies are in the process of updating agency or program-specific guidance to align with the updates in this guidance.

It is expected that such guidance document will be updated imminently and be made available on agency Recovery websites (e.g. www.agency.gov/recovery). Recipients are encouraged to contact their Federal awarding agency for further information.

Attachment A. ARRA Jobs Worksheet for Quarterly Reporting

PREFERRED

STEP 1: Calculate Quarterly Hours in a Full-Time Schedule.

- A. Start by determining the standard hours in a full-time work week schedule as illustrated below. This example uses **40** hours, but other standards are possible.
- B. Multiply this amount by 13 weeks to determine the quarterly number of hours for full-time work:

$$\mathbf{40 \text{ Hours in full-time work week} \times 13 \text{ weeks per year} = \mathbf{520 \text{ Total Quarterly Hours}}$$

STEP 2: Calculate the Full Time Equivalent (FTE) for this Quarter.

- A. Determine the number of hours worked in positions funded by the Recovery Act within the current quarter. For example, a full-time employee working 40 hours per week during the entire quarter will work 520 hours in the quarterly reporting period.
- B. Divide this number by the “Quarterly Hours in a Full-Time Schedule” number calculated in STEP 1. This calculation should be performed for each employee working under Recovery Act funding within the reporting quarter (add each together to calculate an FTE total):

$$\frac{\mathbf{520 \text{ Hours Worked and Funded by Recovery Act}}}{\mathbf{520 \text{ Quarterly Hours in a Full-Time Schedule}}} = \mathbf{1.0 \text{ FTE}}$$

For this example, the FTE figure “1.0” should be reported within the “Number of Jobs” data field in FederalReporting.gov.

(If Needed) Reflect Partial ARRA Funding.

- A. Count all hours worked on the project. In this example, a total of 520 hours were worked on the project and the total number of quarter hours in a full time schedule is 520 hours. The recipient determines the amount of hours, by employee, funded by the Recovery Act (in this case, 50%) and totals only those hours.
- B. Calculate FTE:

$$\frac{\mathbf{260 \text{ Hours Worked}}}{\mathbf{520 \text{ Quarterly Hours in a Full-Time Schedule}}} = \mathbf{0.5 \text{ FTE}}$$

For this example, the FTE figure “0.5” should be reported within the “Number of Jobs” data field in FederalReporting.gov.

OR the recipient does not have the information by employee, but knows the overall percentage of the work hours funded by the Recovery Act (in this case, 50%).

Calculate FTE:

$$\frac{520 \text{ Hours Worked}}{520 \text{ Quarterly Hours in a Full-Time Schedule}} = 1 \text{ FTE}$$

$$1 \text{ FTE} \times 50\% = 0.5 \text{ FTE}$$

For this example, the FTE figure "0.5" should be reported within the "Number of Jobs" data field in FederalReporting.gov.