New Activity Address Codes for Use in Identifying Awarding and Funding Offices Effective March 31, 2016

======== Introduction ========

Did you know that effective March 31, 2016, the Federal Acquisition Regulation, or FAR, require the use of new Activity Address Codes, or AACs, to identify both awarding and funding offices for procurement awards captured in the Federal Procurement Data System, or FPDS?

All agencies are required to enter an awarding and funding office in FPDS per FAR 4.603. The change that you will see in FPDS beginning April 1, 2016, is to the format of those codes, per FAR 4.605, and perhaps to the names of the offices, depending on your agency implementation. These new codes will also be included in the changes to the Procurement Instrument Identifier, or PIID, that must be in place by October 1, 2017.

This video will –
- Define AACs and their impact on the acquisition community;
- Explain your role and responsibility in selecting the correct AAC; and
- Identify the implications of selecting the wrong AAC.

======== What is an Activity Address Code (AAC)? ========

So, let's start with, what is an Activity Address Code? The AAC is a uniform way to identify organizations in Federal agencies. An office is the smallest organizational unit in an agency with direct responsibility for awarding or funding most of the action. The move to the AAC is a move to a standard and uniform way to identify offices and is not unique to Federal procurement. It's been used in the integrated DoD-Civilian agency supply systems since at least the 1960's.

The change to a standard and uniform identifier will provide greater consistency in how data are collected and reported as well as transparency for both the public and for Federal agencies using such award data for spending management purposes, such as category management. Each office identified by a Department or Independent Agency

has a unique AAC and is managed by one agency point of contact. The list of [agency points of contact](#) is located on the OMB MAX website.

Contract actions in FPDS already include information on the funding and contracting offices. During the transition to the AAC, agencies took a close look at the offices they were using and updated them by retiring some, eliminating others that were outdated, or adding new ones. For any changes, agencies also provided a mapping to trace back to the older offices. This will allow users to run reports using the AAC and see awards both on the new code as well as the prior code. These same names and codes will be used throughout the Integrated Award Environment, or the IAE, so you will see the same office names in all other IAE systems as they're transitioned.

======== How Does This Affect The Acquisition Workforce? ========

Okay, I'm sure you're wondering, "how does this affect me?" For most of the acquisition community, no action will be required as system updates have been made to implement this change. However, at agencies where system updates could not be implemented, there will be action required from program managers and contracting officers. If you're the program manager in the funding office, you'll need to know what funding office to include in your request. If you're the contracting officer or contract specialist, you'll need to know both your own awarding office code as well as the funding office code in order to record your actions in FPDS, either directly or via your agency contract writing system. If you're not sure what the appropriate AAC is for your awarding office or for a funding office, please reach out to your [agency point of contact](#) who is located on the OMB MAX website. There are many codes from which to select and picking the wrong one may result in you having to do data corrections later in the year.

======== Why Are We Hearing About This New Requirement Now? ========

So, why are you just hearing about this new requirement now? Well, this is actually not a new requirement. FAR 4.603 has not changed with respect to requiring the identification of the contracting and funding offices. What is changing is using the AAC as the standard identification for those offices per FAR 4.605. In some cases, as agencies refreshed their organizational information in FPDS, there may have been some deletions or additions for offices so you may see new or different names.

======= Is the Funding Office Code the Same as the Accounting Code? =======

Is the funding office code the same as the accounting code? No. The funding office code is used to identify the program office that is providing the predominant amount of funding for the contract action.

======== Can the Name of the Office or the Code Change? ========

Can the name of the office or code change? Yes, and those changes are managed by your agency. For questions on how your agency is managing the AAC, please contact your agency point of contact lead who's listed on the OMB MAX website.

======== What Are the Implications of Selecting the Wrong AAC? ========

You're probably asking yourself, "what are the implications if I select the wrong AAC?" FPDS is the authoritative source for public reporting of Federal procurement spending. That includes everything from small business goals and competition in Federal contracting to obligations by agency, products, and services. The data are used in new initiatives such as category management as well as public reporting to USASpending.gov. If you select the wrong AAC, then the errors may show up in:

- Recurring and special reports to the Office of Management and Budget, The Government Accountability Office, Congress, Performance.gov, and USASpending.gov;
- The annual small business goaling report;
- Competition in Federal contracting by agency;
- The ability to measure and assess the effect of Federal contracting for various FAR requirements and Administration priorities; and
- Annual FPDS verification and validation results.

Moreover, each agency Senior Procurement Executive, in coordination with the head of each contracting activity, is responsible for making sure procurement data are accurate and complete and can be used for a host of reporting and management purposes. Selecting the wrong office and funding codes for an award will result in report and management errors that will need to be corrected later in the year. Understanding the impact now will help you avoid extra work later. ***You*** are responsible for making sure the

data captured and recorded on each contract action accurately represents what's taking place. If you enter incorrect data, you must correct it because at the end of each fiscal year, the Chief Acquisition Officer of each agency is required to certify whether the agency's procurement data is complete and accurate per FAR 4.604(c). Any errors identified must be corrected before the Chief Acquisition Officer can provide such a certification.

The accuracy of the data reported in FPDS is critical for contracting officials, program managers, Federal policy officials, oversight bodies, and the public. Selecting the accurate awarding and funding office codes the first time will save you the additional time it takes to modify your FPDS records at a later date.

We certainly hope this information helps.

======== Additional Resources and Information ========

For more information on what you'll see when you enter FPDS, please refer to the Federal Service Desk Frequently Asked Questions at www.fsd.gov and the FPDS users' manual found at www.fpds.gov.