

Supporting Statement

OMB Control No: 3090-0290; System for Award Management Registration Requirements for Financial Assistance Recipients

A. Justification.

1. Circumstances Making the Collection of Information Necessary

In late July 2012, the System for Award Management (SAM) replaced the Central Contractor Registration (CCR) system as the primary registration database for the U.S. Federal Government. SAM currently collects, validates, stores, and disseminates data in support of agency acquisition and financial assistance missions. SAM validates entity registration information and electronically shares the secure and encrypted data with Federal agency finance offices to facilitate paperless payments through electronic funds transfer (EFT). Additionally, SAM shares the data with Federal Government procurement, financial assistance, and electronic business systems.

Both current and potential Federal Government awardees of grants, cooperative agreements, and contracts are required to register in SAM pursuant to Title 2 of the Code of Federal Regulations (CFR) and the Federal Acquisition Regulation (FAR) to receive specified Federal awards. Entities complete a one-time registration process to provide basic information relevant to procurement and Federal financial assistance transactions. Applicants and recipients, excepting individuals, of Federal financial assistance to register in SAM and maintain an active SAM registration with current information at all times during which they have an active Federal award or an application or plan under consideration by an agency pursuant to 2CFR Subtitle A, Chapter I, and Part 25 (75 FR 55673 as amended at 79 FR 75879).

This information collection is being amended to meet a statutory requirement of the National Defense Authorization Act (NDAA) of FY 2013. The NDAA of 2013 requires that the Federal Awardee Performance and Integrity Information System (FAPIIS) (currently located in SAM) include information on a non-Federal entity's parent, subsidiary, or successor entities. Applicants will need to provide information in SAM on their immediate and highest level owner as well as on all predecessors that have been awarded a Federal contract, grant, or cooperative agreement within the last three years. Additionally, the information collection is being amended to increase transparency regarding Federal spending and to support implementation of the Digital Accountability and Transparency Act of 2014 (DATA ACT). The Office of Management and Budget (OMB) proposes to expand the requirement to register in SAM beyond grants, cooperative agreements, and contracts, to entities that receive financial assistance, such as loans, insurance, and direct appropriations. This information collection requirement is included in OMB's proposed revision to guidance in 2CFR Subtitle A, Chapter I, and Parts 25, 170 and 200.

2. Purpose and Use of Information Collection

The information required for SAM registration for Federal financial assistance includes completing the Core Data and Points of Contact sections to provide, among other things, the

registering entity's legal business name, address, DUNS number, and type of organization, as well as critical point of contact information (specific guidance for registrants is found at www.sam.gov). This information collected in SAM is used to validate entity registration information and electronically share the secure and encrypted data with Federal agency finance offices to facilitate paperless payments through electronic funds transfer (EFT). Additionally, SAM shares the data with Federal government procurement, financial assistance, and electronic business systems. Estimates of burden are calculated for financial assistance only.

Collecting information on a Federal or non-Federal entity's immediate and highest level owner as well as on all predecessors that have been awarded financial assistance, a Federal contract, grant, or cooperative agreement within the last three years will allow Federal agencies to consider the performance and integrity of a Federal or non-Federal entity prior to making an award. Also, collecting information on entities that receive other types of financial assistance, such as loans, insurance, and direct appropriations, will allow Federal agencies to be transparent about Federal spending by reporting this information on www.usaspending.gov.

3. Use of Improved Information Technology and Burden Reduction

We use improved information technology to the maximum extent practicable. SAM is an internet-based platform easily accessed from any computer enabling the registrant to submit the information electronically.

4. Efforts to Identify Duplication and Use of Similar Information

SAM was developed to centralize registrant information. This collection leverages the central clearinghouse capacity of SAM to ensure that financial assistance registrants have minimal burden in providing the Federal government with their identifying information. This will ensure that the information provided to the Federal government once, will be used multiple times because SAM will share this information with Federal government procurement, financial assistance, and electronic business systems.

5. Impacts on Small businesses or Other Small Entities

The burden applied to small businesses pursuing Federal financial assistance awards is the minimum consistent with applicable laws, executive orders, regulations and prudent business practices. Required registration in SAM will reduce burden to small businesses that would otherwise be required to provide the same entity identifying information to the Federal government multiple times unnecessarily. If a registrant is already registered in SAM with the intent to pursue Federal grant, cooperative agreement, or contract awards, there is no new burden. Also, small entities are not likely to have an owner, predecessor, and/or subsidiary that would require reporting.. However, it is minimally burdensome for a small entity to provide the name of its immediate and highest level owner, should this be applicable.

6. Consequences of Collecting the Information Less Frequently.

If the collection of this registration data from Federal prime financial assistance registrants is allowed to expire, current registrants will not be able to update and renew their registration information and new registrants will not be able to create their registrations in SAM. Federal agencies will not be able to obligate new Federal financial assistance awards to unregistered entities. This could prevent the award of critical Federal financial assistance funding and impact government-wide financial assistance programs.

7. Special circumstances for collection.

Collection is consistent with guidelines in 5 CFR 1320.6.

8. Efforts to consult with person outside the agency, including comments received.

A 60 day notice was published in the *Federal Register* at 85 FR 3690 on January 22, 2020. No comments were received. A 30-day notice published in the *Federal Register* at 85 FR 52352 on August 25, 2020.

9. Explanation of any payment or gift to respondents, other than remuneration of awardees.

No payment or gift will be provided to participants.

10. Assurance of confidentiality provided to respondents.

The information is disclosed only to the extent consistent with prudent business practices and current regulations. All sensitive entity information in SAM is restricted solely to authenticated users of SAM.

11. Justification for questions of a sensitive nature.

No sensitive questions are involved.

12 & 13. Estimated total annual public hours and cost burden.

As of July 2019, there were 159,477 entities registered in SAM for financial assistance and there were 41,795 grant, 122 loan, and 12,485 other Federal financial assistance recipients with unique Data Universal Numbering System (DUNS) numbers reported in USASpending.gov. Therefore, based on the number of entities with unique DUNS numbers that are registered in SAM (159,477), plus entities that receive loans (122) or other Federal financial assistance (12,485) reported in USASpending.gov that may not be reflected in SAM (12,607), the total number of entities that may be impacted by the proposed guidance associated Information Collection Requests under OMB control number 3090-0290 could be 172,084 registrants. The number of respondents estimated in this section is based on the best available data from SAM and USASpending.gov. It is important to note that not all registrants in SAM complete applications

for Federal financial assistance. Based on the financial data from USASpending.gov, less than one third of registrants in SAM receive Federal financial assistance. Therefore, the actual number of respondents and the relative burden may be significantly lower than the estimated amounts. It is estimated that an average of 2.5 hours will be required for each new or current registrant to review, prepare, and complete or update their registration in SAM. GSA will continue to review and revise these burden estimates as more information becomes available.

Annual Public Burden and Cost¹

Respondents	172,084
Responses per respondent	<u>X 1</u>
Total responses	172,084
Preparation hours per response	<u>X 2.5</u>
Total response burden hours	430,210
Hourly rate	<u>X \$45.38</u>
Total Cost to public	\$19,522,930

14. Estimated annual cost to the Government.

Time required for Government-wide review is estimated at 1 hour in receiving, reviewing, and analyzing the information submitted by the respondents. This estimate attempts to account for Federal agencies working with registrants to answer their questions, burden to supporting help desks, and time spent investigating registration challenges faced by registrants.

Annual Government Burden and Cost²

Responses	172,084
Reviewing time/hour	<u>X 1</u>
Review time/year	172,084
Estimated Federal wages/hour	<u>X \$39.96</u>
Total annual government cost	\$ 6,876,477

15. Explanation for Program Changes or Adjustments.

This is a revision of a currently approved public information collection based on actual financial assistance registrants in SAM as of July 2019 and reported by Federal awarding agencies in USASpending.gov by recipient unique DUNS numbers. The majority of the unique DUNS numbers are registered in SAM; however, as noted in the explanation for the respondent estimates in question 13, there are some entities with unique DUNS numbers reported in USASpending.gov that may not be reflected in SAM.

¹ The estimated hourly rate is calculated using the Bureau of Labor Statistics Occupational Employment Statistics Query System selecting the national hourly mean wage for management analysts (<https://data.bls.gov/oes/#/occGeo/One%20occupation%20for%20multiple%20geographical%20areas>).

² The estimated cost per hour is from Office of Personnel Management Salary Table 2019 DCB for a general schedule employee at a GS-12 Step 1 in the locality pay area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA (https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB_h.pdf).

2 CFR Subtitle A, Chapter I, and Part 25 mandates that the System for Award Management serve as the repository for standard information about applicants and recipients of financial assistance as well as procurement and electronic business systems. The burden is relative to the number of registrants for Federal assistance, which was 159,477 in July 2019, while when calculated for the previous information collection burden there were 143,334 estimated registrants for financial assistance in the system. The increase in burden is due to the increased compliance with the Code of Federal Regulations requirement to register in the centralized and integrated system as well as the increase in number of entities applying for the grants and other financial assistance available through the Federal government.

16. Plans for Tabulation and Publication and Project Time Schedule

Results will not be tabulated or published. This information collection will be ongoing.

17. Reasons Display of OMB Expiration Date is Inappropriate.

We are not requesting an exemption.

18. Explanation of exception to certification statement.

We are not requesting an exemption.

B. Collections of Information Employing Statistical Methods.

Statistical methods are not used in this information collection.