Policy Change Justification Statement

Proposed Change to the *NSF Proposal & Award Policies & Procedures Guide (NSF 07-140)*
Part I: Proposal Preparation & Submission Guidelines (Grant Proposal Guide)
Requiring Organizations to Register in Central Contractor Registration (CCR)
Prior to Submitting Proposals for Funding to the National Science Foundation

Policy Change: A change is proposed to the *NSF Proposal & Award Policies & Procedures Guide, Part I: Proposal Preparation & Submission Guidelines (Grant Proposal Guide)* to mandate that an organization (including any known subawardees at the time of proposal submission) must be registered in the Central Contractor Registration prior to submitting a proposal to the National Science Foundation.

OMB Control Number: 3145-0058, January 2010

Effective Date: October 1, 2007

Additional Burden: 230 hours

Background and Justification for Policy Change:

The *Federal Funding Accountability and Transparency Act* (FFATA) of 2006 (P.L. 109-282) requires agencies to make award and sub-award information available to be searched by the public. Agencies must make award data available beginning January 1, 2008 and subaward data available beginning January 1, 2009. FFATA specifies requisite information (14 data elements) that must be included for each award, one of which is the unique identifier for the entity. OMB Memorandum, "*Reporting of Data Elements Required by the Federal Funding Accountability and Transparency Act,"* (dated March 30, 2007) defines the unique identifier for the entity as the Data Universal Numbering System (DUNS) number.

In accordance with OMB policy "*Use of a Universal Identifier by Grant Applicants,*" (June 27, 2003) [68 FR 38402], NSF collects DUNS numbers for all awardees. While NSF collects this information, NSF currently does not have a mechanism to validate the accuracy of the DUNS number provided by the organization during the FastLane proposal submission process.

In order to meet the legislative mandate and Congressional intent of FFATA, NSF needs a reliable source of data to validate the accuracy of the DUNS number provided by the organization. NSF has identified the Central Contractor Registration (CCR) database as the most complete and accurate data source. The CCR system is managed under the Integrated Acquisition Environment (IAE) Presidential Management Agenda (PMA) E-Gov initiative. IAE is sponsored by OMB and managed by the General Services Administration. CCR is the primary registrant database for the U.S. Government. CCR collects, validates, stores, and disseminates data in support of agency acquisition missions, including Federal agency contract and assistance awards.

All contractors that do business with the Federal government and all grantees that use Grants.gov are required to register in CCR prior to conducting any transactions (e.g. submitting a grant application).

Any organization that registers with the CCR must have a valid DUNS number. To ensure each organization receiving an NSF award and/or subaward has a valid DUNS number, NSF will require potential proposers to register in the CCR prior to proposal submission. This approach aligns with the government-wide efforts described above. The proposed effective date for this policy change is October 1, 2007. Requiring CCR registration effective October 1, 2007 will provide NSF with sufficient time to change NSF proposal preparation requirements to mandate this requirement, as well as validate DUNS numbers in preparation for meeting the FFATA January 1, 2008 milestone to make award data publicly available.

Impact of Policy Change

NSF has analyzed the impact of this proposed policy change and the additional burden associated with it on the Foundation's proposer community. The results of this assessment are as follows:

- CCR states it takes approximately one hour for an organization to complete the online registration, depending upon the size and complexity of the organization. The one hour to complete registration includes the time to read the instructions and to complete the form online. CCR does have handbook users may refer during the registration process. CCR recommends factoring in an additional 15 minutes in the instance the user references the handbook.

- NSF retrieved a list of organizations that submitted proposals to the Foundation in FY 2006 and used a sample (5% error) to determine the percentage of these organizations registered in the CCR.
    - A total of 2,677 organizations submitted proposals to NSF in FY 2006.
    - Out of the 2,677 organizations that submitted proposals to NSF in FY06, a random sample of 247 organizations was used to verify CCR registration.
    - Of the 247 sample organizations, 230 were registered in CCR (93.1%).

- Based on the sample analysis of FY06 data (the 247 sample organizations), it can be concluded that:
    - 93.1% of organizations that submitted proposals to NSF in FY06 are already registered in CCR.
    - 6.9% of organizations that submitted proposals to NSF in FY06 are not registered in CCR.

- Of the 2,677 organizations that submitted proposals to NSF in FY06, 184 organizations (6.9%) would be impacted by this policy change.

- The amount of additional burden associated with this policy change is 230 hours (184 organizations * 1.25 hour to register = 230 hours).

- On average, it takes CCR three days to process a registration submission.