

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
9000-0144, PAYMENT BY ELECTRONIC FUNDS TRANSFER**

A. Justification.

1. **Administrative requirements.** Subpart 32.11 of the Federal Acquisition Regulation (FAR) contains guidance concerning payment by electronic funds transfers (EFT) of contractors' invoices and contract financing requests. FAR Part 52 contains the texts of solicitation provisions and contract clauses. The rule amends Subpart 32.11 to provide revised guidance concerning the use of EFT as a method of contract payment. The rule addresses a requirement for certain information to be provided by contractors, which would enable the Government to make payments under the contract by electronic funds transfer. The information necessary to make the EFT transaction is specified in two clauses at 52.232-33, Payment by Electronic Funds Transfer—Central Contractor Registration, and 52.232-34, Payment by Electronic Funds Transfer—Other than Central Contractor Registration.

2. **Uses of information.** The Government will use this information collection to make payments under the contract by electronic funds transfer rather than by check.

3. **Consideration of information technology.** We use improved information technology to the maximum extent practicable. Where both the Government agency and contractors are capable of electronic interchange, the contractors may submit this information collection requirement electronically.

4. **Efforts to identify duplication.** This requirement is being issued under the FAR, which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication.

5. **If the collection of information impacts small businesses or other entities, describe methods used to minimize burden.** This collection is expected to have a significant impact on a substantial number of small businesses or other small entities because it is expected that the majority of small businesses or entities will have payment made by EFT under their contracts when EFT becomes the standard method of contract payment. Based on fiscal year 1992 data for contracts over \$25,000, if fully implemented, EFT as a method of payment would affect nearly

22,000 small businesses who received over 86,000 new contract awards.

6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently. This collection of information is imposed upon contractors upon award of each contract. Less frequent collection would not facilitate contract payment by EFT as the standard method of payment under Government contracts.

7. Special circumstances for collection. Collection is generally consistent with the guidelines in 5 CFR 1320.6.

8. Efforts to consult with person outside the agency. Under the procedures established for development of the FAR, agency and public comments were solicited and each comment addressed before finalization of the text. A notice published in the *Federal Register* at 73 FR 30611, May 28, 2008, made this requirement available to the public and requested comments. No major problems regarding this requirement were reported.

9. Explanation of any decision to provide any payment or gift to respondents, other than reenumeration of contractors or guarantees. Not applicable.

10. Describe assurance of confidentiality provided to respondents. This information is disclosed only to the extent consistent with prudent business practices and current regulations. This collection requirement solicits sensitive information, which must be properly safeguarded (data concerning the contractor's accounts at its financial agent, such as account number).

11. Additional justification for questions of a sensitive nature. The information collection includes no questions regarding matters that are commonly considered private.

12 & 13. Estimated total annual public hours and cost burden. Time required to read and prepare information is estimated at 0.5 hours per response.

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| Total annual responses. | 140,000 |
| Hours per response. | <u>X .5</u> |
| Total annual hours. | 70,000 |
| Average wages (\$15/hr.+75% OH). | <u>X \$26</u> |
| Estimated cost to public. | \$ 1,820,000 |

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|---|-------------|
| Number of respondents | 14,000 |
| Number of responses per year. | <u>x 10</u> |
| Total annual responses. | 140,000 |
| Preparation time per response | <u>x .5</u> |
| Total response burden hours | 70,000 |

14. **Estimated cost to the Government.** Time required for Governmentwide review is estimated at 1.5 hours per response.

Annual Reporting Burden and Cost

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|--|---------------|
| Total annual responses. | 140,000 |
| Review time per response. | <u>x 1.5</u> |
| Total burden hours. | \$ 210,000 |
| Average wages (\$20/hr +100% OH) | <u>x \$40</u> |
| Total Government cost | \$ 8,400,000 |

15. **Explain reasons for program changes or adjustments reported in Item 13 or 14.** This submission requests an extension of OMB approval of an information collection in the FAR. The information collection requirement in the FAR remains unchanged.

16. **Outline plans for published results of information collections.** Results will not be tabulated or published.

17. **Approval not to display expiration date.** Not applicable.

18. **Explanation of exception to certification statement.** Not applicable.

B. Collections of Information Employing Statistical Methods.

Statistical methods are not used in this information collection.