

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION**

OMB Control No: 3090-0292

FFATA Subaward and Executive Compensation Reporting Requirements

A. Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The Transparency Act requires information disclosure of entities receiving Federal financial assistance through Federal awards such as Federal contracts, sub-contracts, grants, and sub-grants, FFATA § 2(a)(2)(i), (ii).

Specifically, the Transparency Act's section 2(b)(1) requires the Office of Management and Budget ("OMB") to ensure the establishment of a publicly available website that contains the following information about each Federal award:

- name of the entity receiving the award;
- amount of the award;
- information on the award including transaction type, funding agency, the North American Industry Classification System code or Catalog of Federal Domestic Assistance number, program source, award title descriptive of the purpose of each funding action;
- location of the entity receiving the award and primary location of performance under the award, including city, State, congressional district, and country;
- unique identifier of the entity receiving the award and the parent entity of the recipient, should the entity be owned by another entity; and
- names and total compensation of the five most highly compensated officers of the entity if the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$25,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. FFATA § 2(b)(1).

The current, approved information collection directed compliance with the Transparency Act sub-award and executive compensation reporting requirements beginning on October 1, 2010. Specifically, **prime** awardees of grants must ensure disclosure of executive compensation of both prime and subawardees and sub-award data. This information collection requires reporting of only the information enumerated under the Transparency Act.

GSA requests OMB's expedited review and approval clearance of the administrative modifications to the currently approved information collection in order to meet the public

notification requirements before the current collection expires on March 31, 2014. Review and approval of this Paperwork Reduction Act submission is essential to the sustained implementation of the Federal Funding Accountability and Transparency Act (P.L.109-282, as amended by section 6202(a) of P.L.110-252) hereafter known as FFATA or the Transparency Act. This information collection requirement was captured in the revision to 2 CFR Part 170 Requirements for Federal Funding Accountability and Transparency Act Implementation, as guidance to agencies on the requirement for prime grant recipients reporting under the Transparency Act. Expedited approval will allow prime grant awardees to continue registering in FSRS in accordance with the award term specified 2 CFR Part 170 Appendix A.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The information collected will be used to make transparent subawardee executive compensation information (as applicable) and sub-award information made against eligible prime grant awards. Of note, executive compensation information for the prime grant awardees is collected during their registration in the System for Award Management (SAM). While some information was publicly available on prime awardees prior to the original information collection, executive compensation of prime awardees and subawardees was not. Executive compensation information, as applicable, is now displayed on USAspending.gov pursuant to the current information collection in relation to an eligible award. In addition, this information collection provides public access to information on grant sub-award information, pursuant to the Transparency Act. The information has been used for audit, oversight, and transparency purposes by Federal agencies, the public, and transparency organizations interested in understanding Federal spending.

a. What grants are subject to reporting under this information collection?

New Federal, non-Recovery Act funded grant awards with an award date on or after October 1, 2010, and resulting first-tier sub-awards, are subject to the reporting requirements under the Transparency Act. New Federal grants includes grants with a new Federal Award Identification Number (FAIN) as of October 1, 2010 and does not include continuing grants awarded in prior fiscal years with new obligations beginning October 1, 2010.

For any new awards as of October 1, 2010, Federal agencies are required to transmit to prime awardees revised standard terms and conditions (published in the Federal Register [75 FR 55663] on September 14, 2010 as 2CFR Part 170 Appendix A – Award Term) that delineated reporting requirements pursuant to the Transparency Act.

For those new Federal grants as of October 1, 2010, if the initial award is over \$25,000, reporting of sub-award and compensation data is required. If the initial award is below \$25,000 but subsequent grant modifications result in a total award over \$25,000, the award is subject to the reporting requirements, as of the date the award exceeds \$25,000. If the initial award exceeds \$25,000 but funding is subsequently de-obligated such that the total award amount falls below \$25,000, the award continues to be subject to the reporting requirements of the Transparency Act

and this Paperwork Reduction Act submission.

In addition to the award amount threshold, pursuant to the Transparency Act, Federal grant awards to individual recipients, Federal grant awards made to entities earning less than \$300,000 in Federal benefits in the previous tax year, and classified information are not subject to the reporting requirements in this Paperwork Reduction Act submission, FFATA §§ 2(a)(1)(C), 2(e), 5.

Grant awards whether existing or new as of October 1, 2010 that are funded by the Recovery Act will continue to report to those awards and sub-awards through FederalReporting.gov and are not subject to the reporting requirements in this Paperwork Reduction Act submission.

b. Who will be required to report under this information collection?

Prime awardees of Federal grants will be responsible for reporting under the Transparency Act.

c. What will the prime awardee be required to report under this information collection?

The prime grantee will be responsible for two sets of reporting: information about itself and information about its sub-grantee, if any. The specific data elements required, and listed in the attached spreadsheet, are confined solely to the data elements required under the Transparency Act. The subawardee of a Federal grant will not be required to undergo any additional reporting to the Federal Government under this Paperwork Reduction Act submission.

First, the prime awardee will be responsible for reporting information about its sub-grantee, if a sub-grantee exists. If the prime awardee has not awarded a sub-grant, no reporting is required at this level. The prime awardee will be required to provide the subawardee's DUNS number. Based on this DUNS number, if the subawardee has already provided, in the course of other direct applications for Federal grants or contracts, its entity-related information (e.g. name, address, Parent DUNS) into the System for Award Management (SAM), such information will be pre-populated into FSRS. See attached data elements spreadsheet for a detailed description of data elements and source of pre-population. This pre-population will substantially reduce the burden of prime awardee's reporting requirements under the Act. If the subawardee has not previously provided this information to the Federal Government through SAM, some basic information will still pre-populate into FSRS from Dun & Bradstreet based on the DUNS number. However, the prime awardee will be required to manually enter any remaining information into FSRS. To the extent possible, however, this Paperwork Reduction Act submission will pre-populate data elements to avoid duplicative reporting to the Federal Government.

Second, the prime awardee will be responsible for reporting executive compensation data related to its own entity's top five highly compensated officials or a subawardee's top five highly compensated officials, if applicable. The prime awardee's executive compensation responses are collected during the prime awardee's registration in SAM. If the sub-awardee is registered in SAM, the executive compensation responses for the sub-awardee will also pre-populate from

SAM into FSRS. Similar to the other reporting requirements in this information collection, the Transparency Act specifically directs the collection of this executive compensation data.

A prime entity will be required to report executive compensation information about its or its subawardee's top five highly compensated officials:

if the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$25,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. FFATA § 2(b)(1).

Third, the prime awardee will be required to verify the accuracy of any other pre-populated information regarding the prime award, including the award's project description, starting and ending date.

d. By when will the prime awardee be responsible for this reporting?

The prime awardee will be responsible for reporting information about itself, as needed, or its subawardee, if any, by the end of the month following the month the award or obligation was made.

For sub-award reporting:

If applicable, the prime awardee must report subawardee data into FSRS by the end of the month following the month the sub-award or obligation was made.

Example 1:

Prime recipient awards sub-award on October 1, 2013
Prime recipient must report sub-award information by November 30, 2013

Example 2:

Prime recipient awards sub-award on October 31, 2013
Prime recipient must report sub-award information by November 30, 2013

For executive compensation reporting:

The prime awardee responds to the executive compensation questions during its annual registration update in SAM. Pursuant to 2 CFR Subtitle A, Chapter I, and Part 25, all prime grant awardees must be registered in SAM. FSRS will pre-populate the responses from SAM for the prime awardee's executive compensation data reducing the burden on the prime awardee.

Similarly, the prime awardee must report the subawardee's executive compensation data by the end of the month following the month the award or obligation was made. This is done as part of the sub-award report in FSRS and is not a separate burden.

Example 1:

Prime recipient awards sub-award on October 1, 2013
Prime recipient must report subawardee's executive compensation data, if necessary, by November 30, 2013

Example 2:

Prime recipient awards sub-award on October 31, 2013
Prime recipient must report subawardee's executive compensation data, if necessary, by November 30, 2013.

e. How will prime awardees be required to report this information?

Information on Grants sub-award and executive compensation will be collected on the FFATA Subaward Reporting System (FSRS) website, <http://www.fsrs.gov>. The FSRS website is part of the Integrated Award Environment and is managed at GSA.

This same platform, FSRS, is used for the collection of both grants and contracts sub-award information, as required by the Transparency Act. Because the Act requires the collection of similar financial information from oftentimes the same entities, regardless of whether they are awarded Federal contracts or Federal grants, leveraging the same platform allows for streamlining in the registration process, reduction of duplicative reporting, and less cost and time burden associated with reporting. The Paperwork Reduction Act submission for the collection of Federal contracts-related financial information pursuant to the Transparency Act is located in the FAR Interim Final Rule, published in the Federal Register on July 8, 2010 and available at www.regulations.gov.

FSRS will permit prime awardees to locate their applicable grants and report, as required under this information collection, sub-award and executive compensation information within the required reporting times. The system will be enabled to permit both individual reporting transactions as well as batch uploading capabilities. GSA will continue to refine the system to ensure that prime awardees' reporting burden using FSRS is minimized for the maximum extent practicable.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of information technology to reduce burden.

This collection of information will be electronic. The FFATA Subaward Reporting System (FSRS) is accessed at <http://www.fsrs.gov>. The prime awardee will be allowed to report information about itself, as needed, and its subawardees, if applicable, by specific grant, or through a batch uploading mechanism. The system will allow a prime awardee to save its reporting for further review or addition, or report immediately. Providing such flexibility, in both the form of reporting (individual and batch uploading capabilities) and in timing will ensure that the burden is minimized to the maximum extent possible.

Further, as discussed above, it is intended that to the maximum extent possible, information

already collected from Federal agencies on Federal grants and prime awardees will be pre-populated to minimize duplicative reporting of the prime awardees' entity information (e.g. legal business name, physical/ mailing address, DUNS number, CAGE Code) and grant information (e.g. CFDA number, award amount, prime award description).

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use of the purposes described in Item 2 above.

As discussed above, it is intended that to the maximum extent possible, information already collected from Federal agencies on Federal grants and prime awardees will be pre-populated to minimize duplicative reporting of the prime awardees' entity information (e.g. legal business name, physical/ mailing address, DUNS number, CAGE Code) and grant information (e.g. CFDA number, award amount, prime award description).

In addition, GSA recognizes that recipients of Federal grants funded by the American Recovery and Reinvestment Act continue to report through FederalReporting.gov. Therefore, to avoid duplicative reporting, prime awardees in receipt of ARRA-funded grants will not be subject to the reporting requirements in this Paperwork Reduction Act submission.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

As discussed above, it is intended that to the maximum extent possible, information already collected from Federal agencies on Federal grants and prime awardees will be pre-populated to minimize duplicative reporting of the prime awardees' entity information (e.g. legal business name, physical/ mailing address, DUNS number, CAGE Code) and grant information (e.g. CFDA number, award amount, prime award description).

Further, Federal grant awards made to entities earning less than \$300,000 in Federal benefits in the previous tax year are not subject to the reporting requirements in this Paperwork Reduction Act submission.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The collection of this information facilitates continued compliance with P.L. 109-282 as amended by section 6202(a) of P.L.110-252 requiring the statutorily required reporting of information on: (1) executive compensation of applicable grants prime and subawardees and (2) other grants award-related information about grants subawardees accessible to the public, thus making Government more transparent. See attached data elements spreadsheet for full list of data elements. Delay in approving the continuation of this collection jeopardizes sustained compliance with the Transparency Act.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**

Respondents will be submitting information electronically at www.fsrs.gov. Prime awardees will be required to report its own executive compensation data during their annual registration in SAM, pursuant to the Transparency Act. A prime awardee must report the Transparency Act-required sub-award information, to include the subawardee executive compensation data, by the end of the month following the month in which the sub-award was obligated. The frequency of this reporting is specifically required by the Transparency Act.

Respondents will not be required to keep records for more than three years.

- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of the study;**

The information collection is not connected with a statistical survey.

- **requiring the use of statistical data classification that has not been reviewed and approved by OMB;**

The information collection is not connected with the use of statistical data classification.

- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

The information collection does not request data that is confidential.

- 8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize any public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

GSA received one comment from one entity in response to that *Federal Register*. A 60 day notice was published in the *Federal Register* at 78 FR 16331, no comments were received. A notice was published in the *Federal Register* at 79 FR 16331 on March 25, 2014. The comment GSA received suggested:

Comment:

- The FSRS website should have the capability to search by “subaward number” as this would assist efforts to ensure that all necessary subawards are being reported into the FSRS system to meet the FFATA reporting requirements.

Response:

- GSA responded to this comment and has noted the suggestion as a potential enhancement to the FSRS system.

Outreach and solicitation of comments will continue to ensure that the requirements are implemented in the least burdensome manner possible while adhering to the requirements under the Transparency Act.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payment or gifts to respondents will be provided.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The information requested is specifically enumerated under the Transparency Act and is required by the Act to be released to the public.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

Information of a sensitive nature is not requested.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate hour burden estimates for each form and aggregate the hour burdens in Item 13.**
- **Provide estimates of annualized costs to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead the cost should be included in Item 14.**

FFATA Sub-award Reporting

	Responses	Hours/Response	Total Hours	Total Cost	Cost Calculation
Sub-award Information	252,382	30 min/response	126,191	\$2,263,866.54	\$17.94 per hour x 126,191 hours
Executive Compensation Information	44,596	1 hrs/response	44,596	\$1,600,104.48	\$35.88 per hour x 44,596 hours
TOTAL BURDEN	296,978	1.5 hrs/response	170,787	\$3,863,971.02	Sum of both numbers

In FY12, approximately 19,430 grant sub-award reports were entered into FSRS by prime awardees. Each sub-award report can contain information on multiple sub-awards made against the same prime grant award in a given period of time. The 19,430 grant sub-award reports from FSRS represented 252,382 distinct grant sub-awards made to 44,596 unique subawardee DUNS numbers when displayed on USAspending. Each sub-award contains two sections: information about the sub-award itself and the subawardee's executive compensation information. As described above, the burden hours for the prime awardee's executive compensation information are included in their annual registration in SAM.

a) Burden Hours Calculation

Estimates are based on the following:

On an annual basis, approximately 19,430 grants sub-award reports are entered into FSRS. As stated above, that represents 252,382 distinct grant sub-awards made to 44,596 unique subawardee DUNS numbers. The burden hours associated with each information submission is .5 hours to gather and submit the information about the sub-award itself and 1.0 hour to gather and submit the executive compensation responses from the subawardee. If a subawardee is registered in SAM, the burden decreases as much of the information can be pre-populated from SAM into FSRS. Assuming most grant subawardees are not registered in SAM, the burden hours are calculated as follows:

$(252,382 \text{ responses} \times .5 \text{ hours for the sub-award information}) + (44,596 \text{ responses} \times 1 \text{ hour for executive compensation information}) = 170,787 \text{ total burden hours.}$

The number of grant sub-awards reported may be an underestimate, given the potential for sub-awards that were not reported. GSA will continue to review and revise these burden estimates as more information becomes available for year-over-year comparison.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

Respondent Costs

The respondent cost estimates are computed using the hourly rates of a GS 12/1. These hourly rates are comparable to salaries of staff that will perform these functions for the respondent.

Using the Office of Personnel Management’s January 2012 Salary Table, the hourly rate for a GS 12/1 is \$35.88. Therefore, the cost for one respondent is as follows:

Review and Submission (GS 12/1 equiv.) hourly rate of \$35.88 x .5 hours = \$17.94
 Review and Submission (GS 12/1 equiv.) hourly rate of \$35.88 x 1.0 hours = \$35.88

Total Respondent Costs

The estimated total annual cost burden to respondents is **\$3,863,971.02**.

This total estimated annual cost burden is based on the assumption that there will be, on average, 252,382 grant sub-awards made each year to 44,496 unique entities. These figures may be under or overestimates, given the uncertainty of the total number of prime grants who may have sub-awards or be subject to reporting compensation data in any given year and lack of specificity on the actual time required to gather and submit the information.. GSA will continue to review and revise these burden estimates as more information becomes available for year-on-year comparison.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The annual operations and maintenance (O&M) associated with the FSRS system itself has been captured in the related Paperwork Reduction Act Submission 3090-0221, FSRS Registration Requirements for Prime Grant Awardees. In addition, it is anticipated that there will be Government-wide time required for the review of this information.

Time required for Government-wide review is estimated at an average of .2 hour in reviewing and analyzing the information, to the extent that the pre-populated awardee has identified inaccuracies in the pre-populated information. It is anticipated that subsequent to initial implementation of the system, the subsequent Paperwork Reduction Act submissions will be able to better estimate burden associated with this review.

Annual Government Burden and Cost

Reviewing time/hr	.2
Responses	X 296,978
Review time/yr	59,395.6
Average wages/hr (GS 12/1 hourly rate)	X \$35.88
Average wages/yr	\$2,131,114.13
Benefits and overhead	100%
Total Government cost	\$2,131,114.13

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14.

The reason why there is a reduction in burden is that there were a total number of responses (subaward and Executive Compensation) of 296,978 versus the previous 493,080. The time required is reduced due the implementation of Executive Compensation requirements in the System for Award Management which then communicates the data.

16. For collections of information whose results will be published, outline plans for tabulation and publication.

The information collected will be published on USASpending.gov. Information will be provided free to the public.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Such approval is not being requested.

18. Explain each exception to the certification statement identified in the “Certification of Paperwork Reduction Act Submissions”.

There are no exceptions to the certifications.