

## SUPPORTING STATEMENT

### NASA CONTRACTOR FINANCIAL MANAGEMENT REPORTING SYSTEM (NASA FORMS 533M AND 533Q)

**TYPE OF INFORMATION COLLECTION:** Extension without change, of a currently approved information collection

#### A. JUSTIFICATION

##### 1. Explain the circumstances that make the collection of information necessary.

The NASA Contractor Financial Management Reporting System, comprised of NASA Forms (NF) 533M and 533Q (Enclosure 1), is the basic financial medium for contractor reporting of estimated and incurred costs, providing essential data for projecting costs and hours to ensure that contractor performance is realistically planned and supported by dollar and labor resources. The data provided by these reports is an integral part of the Agency's accrual accounting and cost-based budgeting systems required under 31 U.S.C. 3512(e) (Enclosure 2). The reports provide the data used to generate accounts payable, shown on the Agency's audited financial statements, as required by the Chief Financial Officers Act of 1990 and OMB Circular A-136.

*The reports also provide data necessary to achieve compliance with the Statement of Federal Financial Accounting Standard (SFAS) #4, Managerial Cost Accounting Concepts and Standards for the Federal Government.*

The NASA Contractor Financial Management Reporting System/NF 533 is implemented through the following:

- NASA Policy Directive (NPD) 9501.1, "NASA Contractor Financial Management Reporting System"
- NASA Procedural Requirements (NPR) 9501.2 (Enclosure 4), "NASA Contractor Financial Management Reporting,
- NASA FAR Supplement (NFS), 48 CFR 1842 and 1852 (Enclosure 5).

##### 2. Indicate how, by whom, and for what purpose the information is to be used.

The information collected is used by NASA program, project, resource and financial managers to develop budgets, analyze contractor performance and prepare monthly cost accruals. The information is shared with other NASA offices that query cost data in NASA's data storage and reporting tool.

The majority of the reports are received electronically, via e-mail. However, some reports are delivered in person, by courier, and through the U.S. Postal Service. The reports are submitted monthly. Additional quarterly reporting is allowed.

3. **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.**

The requirements for reporting are included in NASA Procedural Requirement (NPR) 9501.2 and reporting instructions are provided on the monthly and quarterly NF 533M and NF533Q information collection instruments.

Contract award documentation includes the respective NPR and NASA Form 533s. NASA policy and is available electronically in NASA On-Line Directives Information System (NODIS.)

The NF533M AND NF533Q are available in the NASA Electronics Forms System (NEF) which is public facing. While the NF 533M and NF 533Q provide standard reporting formats, reporting line items are customized as appropriate for each contract.

Reports received vary substantially in content and complexity. Understanding that contractors employ a wide variety of accounting and reporting systems, options are provided that allow Contractors with major contracts to determine a practical method for data submission.

. The NEF System is a suite of tools for filling out, signing, submitting, archiving, and tracking electronic forms using a desktop computer. It uses a commercial software application form to access electronic form capabilities. This software is available for contractors to download via the NEF System webpage. In addition, the system permits contractors to substitute reports, including electronic reports, generated from their existing management systems, so long as the requisite data elements are included. There are a limited number of cases in which NF 533 reports are submitted directly into an extension to NASA's integrated accounting system to provide for standard electronic submission of NF 533 data. Approximately 97 percent of the NF 533 reports are collected electronically.

	Instrument #1	Instrument #2
Information Collection Instrument Title	NF 533M	NF533Q
Instrument Format	Electronic	Electronic
If electronic, is the	Yes	Yes

instrument fillable?		
If electronic, is the instrument savable electronically?	Yes	Yes
Can the Instrument be filed electronically?	Yes	Yes

4. **Describe efforts to identify duplication.** The system permits contractors to substitute reports, including electronic reports, generated from their existing management systems, so long as the requisite data elements are included; i.e., information already available may be used. NPR 9501.2 identifies the importance of coordination and collaboration of all NASA impacted parties when determining the information to be collected (See Chapter 2) to improve coordination among multiple offices that request NF 533 data and eliminate requests for duplicative data.

The financial data elements provided on the NF 533 are not collected by any other data collection mechanism in use by NASA.

5. **If the collection of information impacts small business or other small entities, describe the methods used to minimize burden.** About 30 percent of the respondents represent small businesses. Because the reporting requirements are customized for each contract, the system facilitates simplification of those requirements for smaller contracts with small businesses.
6. **Describe the consequence 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.** Without these reports, NASA would not be able to meet the requirements of the applicable laws and regulations for accrual accounting and financial statements. More importantly, NASA would not have a sound basis for development of program and project budgets or evaluation of contractors' financial performance.
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.** The NF 533M is a monthly report. This reporting frequency is required to ensure that we have current management and accrued cost information upon which to base management decisions. The NF 533Q is a quarterly report which provides the contractor's latest cost estimates for contract completion, spread over the life of the contract.
8. **Provide the date and page number of publication in the Federal Register for the 60-day and 30-day FNRS, required by 5 CFR 1320.8(d), soliciting**

**comments on the information collection prior to submission to OMB.** On July, 31, 2015, Vol. No. 80, pages 45685 to 45685, NASA published the 60-day federal register notice associated with this information collection in the Federal Register. Comments were not received.

On November 16, 2015, Vol. No. 80, pages 70841 to 70842, NASA published the 30-day federal register notice associated with this information collection in the Federal Register. Comments were not received.

9. **Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.** No payments or gifts are provided to respondents other than remuneration of contractors.
10. **Describe any assurances of confidentiality provided to respondents and the basis for assurances in statute, regulation, or agency policy.** 14 CFR 1206 is followed regarding disclosure of contractor's business and financial information. The NF 533 reports may contain confidential or proprietary information, such as contractors' overhead and general and administrative rates, but such information is properly protected by the Agency (See NPR 9501, paragraphs 1.7 and 1.8). Disclosure to members of the public and other government agencies will only be made available in accordance with 44 U.S.C. 3510(b). Privileged financial information is not shared outside of NASA unless informed consent is received from the contractor. See NPR 9501.2, paragraph 1.7.
11. **Provide additional justification for any questions of a sensitive nature that are commonly considered private.** Questions of a sensitive nature are not found in this information collection.
12. **Provide estimates of the hour burden of the collection of information.** Approximately 500 NASA contracts meet the criteria for NF 533 reporting. NF 533M reports are submitted monthly; NF 533Q reports are submitted quarterly. Where both reports are required, a NF 533M is not due in months in which a NF 533Q is submitted. Since the data required is to be a natural product of the contractor's existing accounting, management and reporting systems, minimal manipulation of the data should be required. Based on past surveys and discussion with contractors, we estimate an average of 9 hours per request, for both the NF 533M and NF 533Q.

Category of Respondent	Number of Respondents	Participation Time (hours)	Responses/Year	Burden Hour

Business or other for-profit (via NF 533M)	500	9	8	36,000
Business or other for-profit (via NF533Q)	500	9	4	18,000 hrs
Total	500	18	12	54,000

13. **Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.** Report data is generated from existing systems contractors need for their internal accounting, budgeting and management information. There are, therefore, no special systems start-up or operational/maintenance costs related to NF 533 reporting.

The information collection hours of each contractor varies. Some contractors use less time while others use more. We estimate that the average time burden of contractors providing cost reports is 9 hours. This estimate was determined by considering the time for report setup, preparation, and submission. Report setup is based on the reporting requirements defined in the contract. Report preparation includes the monthly compilation of the reports. Report submission includes the review and approval of the information to be reported along with the mailing, e-mailing, or downloading of the data.

The data reported is to be generated from contractors' existing cost, budgeting, scheduling and technical performance systems; their internal management system shall be relied upon to the maximum extent possible (see NPR 9501.2, paragraph 2.5.1). Contractors are also allowed to submit internal report formats other than the NF 533s, so long as the required data elements are included. There is, therefore, no "cost" to the respondents (contractors) for submitting the NF 533M and NF 533Q reports. They are fully reimbursed for any and all costs incurred in the preparation and submission of these reports as part of the remuneration they receive under their contract.

14. **Provide estimates of annualized costs to the federal government.** Annualized cost to the Federal Government is estimated to be \$3.2 million. This includes contract costs reimbursed (see #13, above) for report setup, periodic preparation, approval, mailing, discussion with NASA, etc., plus in-house costs involving communication with contractors, receipt, processing and analysis of reports, accounting system entry, problem resolution, and system maintenance. We estimate 54,000 total annual hours to accomplish these activities and labor was generally priced at \$40 to \$60 per hour plus fringe benefits and burden.

The total Federal Government estimated cost, **\$3.2 million**, is determined by multiplying the estimated price of the labor (range \$40 to \$60/hr.) by the estimated total hours **(63,280)**.

15. **Explain the reason for any program changes or adjustments.** The reasons for the changes to the information collection annual reporting since the last OMB approval is due to a shift toward the use of other types of contracting vehicles, such as fixed price contracts, and a reduction of the number of contracts meeting the criteria for NF 533 reporting.

Number of Respondents	500
Total annual responses	6,000
New Burden (Total annual hours requested)	54,000
Previous Burden (current OMB inventory)	86,400
Difference	<b>-32,400</b>
Type of Change	Program Change (PC)

16. The data reported by respondents monthly is available internally to NASA via its data storage and reporting tool.
17. **Display of expiration date.** The expiration date for OMB approval within the PRA statement is displayed on the information collection instruments (NF 533M and 533Q), **along with the records retention schedule reference.**
18. The NASA office conducting or sponsoring this information collection certifies compliance with all provisions listed above.

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 Date: December 15, 2015

(Certifying individual must be a civil service employee)

- B. Collections of Information Employing Statistical Methods

This information collection does not employ statistical methods.