

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
OMB Control Number 3090-0292**

FFATA Subaward and Executive Compensation Reporting Requirements

A. Justification

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

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).

Beginning October 1, 2010, this Paperwork Reduction Act submission directs compliance with the Transparency Act to report prime and first-tier subaward data. Specifically, Federal agencies and **prime** awardees of grants will ensure disclosure of executive compensation of both prime and subawardees and subaward data. This information collection requires reporting of only the information enumerated under the Transparency Act.

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

The information collected is used to make transparent the information about executive compensation (if applicable) for Grants prime and subawardees and subaward information.

While some information is currently publicly available on prime awardees, executive compensation of prime awardees and subawardees, as applicable is not. In addition, this information collection will provide public access to information on grant subaward information, pursuant to the Transparency Act.

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 subawards, 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 (to be published July 2010) that delineate 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 subaward 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 subawards 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 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, the prime awardee will be required to manually enter this 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. 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:

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 subaward reporting:

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

Example 1:

Prime recipient awards subaward on October 1, 2015

Prime recipient must report subaward information by November 30, 2015

Example 2:

Prime recipient awards subaward on October 31, 2015

Prime recipient must report subaward information by November 30, 2015

For executive compensation reporting:

If applicable, the prime awardee must report its own executive compensation data by the end of the month following the month the award or obligation was made.

Example 1:

Federal agency awards grant to prime awardee on October 1, 2015

Prime awardee must report executive compensation data, if necessary, by November 30, 2010.

Example 2:

Federal agency awards grant to prime awardee on October 31, 2015

Prime awardee must report executive compensation data, if necessary, by November 30, 2015.

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.

Example 1:

Prime recipient awards subaward on October 1, 2015

Prime recipient must report subawardee's executive compensation data, if necessary, by November 30, 2015

Example 2:

Prime recipient awards subaward on October 31, 2015

Prime recipient must report subawardee's executive compensation data, if necessary, by November 30, 2015.

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

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

This same platform, FSRS, will be used for the collection of both grants and contracts financial 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 will allow 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.

FSRS will permit prime awardees to locate their applicable grants and report, as required under this information collection, subaward 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.

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. address, DUNS number) 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. address, DUNS number) and grant information (e.g. CFDA number, award amount, prime award description).

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. address, DUNS number) 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 complies with P.L. 109-282 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.

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.frs.gov. Prime recipients will be required to report its own executive compensation data, if needed pursuant to the Transparency Act, by the end of the month of the prime award's obligation from the Federal Government to the prime awardee, plus an additional 30 days. The same timeframe is applied for a prime awardee's reporting of subaward information, if a subaward is obligated. The frequency of this reporting is specifically required by the Transparency Act. FFATA § 2(c)(4) ("The website established under this section shall be updated not later than 30 days after the award of any Federal award requiring a posting.")

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. Describe efforts to consult with persons outside the agency.

A 60 day notice published in the *Federal Register* at 82 FR 19721 on April 28, 2017. No comments were received. A 30-day notice published in the *Federal Register* at 82 FR 33130 on

July 19, 2017.

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.

Information of a sensitive nature is not requested.

12. Provide estimates of the hour burden of the collection of information.

a) Burden Hours for State, Local, and Tribal Governments

Estimates are based on the following:

On an annual basis, there are approximately 80,710 State, local, or tribal government grants prime awardees that will enter their information into FSRS. The burden hours associated with each information submission is 2 hours. This is based on the assumption all prime grant awardees are registered in SAM, and prime grant awardees will only be required to manually input a *minimal* amount of information. The burden hours are calculated as follows:

$$\underline{80,710} \text{ responses} \times \underline{2} \text{ hour} = \underline{161,420} \text{ total burden hours.}$$

GSA has provided its best estimates based on available information. GSA will continue to review and revise these burden estimates as more information becomes available.

b) Burden Hours for all other respondents:

On an annual basis, there are approximately 26,904 All Other Grants prime awardees that will enter their information into FSRS. The burden hours associated with each information submission is 2 hours. This is based on the assumption that where all prime grant awardees are registered in SAM, and prime grant awardees will only be required to manually input a *minimal* amount of information. The burden hours are calculated as follows:

$$\underline{26,904} \text{ responses} \times \underline{2} \text{ hour} = \underline{53,808} \text{ total burden hours.}$$

GSA has provided its best estimates based on available information. GSA will continue to

review and revise these burden estimates as more information becomes available.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

Respondent Costs

The respondent cost estimates are computed using the hourly rates of a GS 5/1 and GS 12/1. These hourly rates are comparable to salaries of staff that will perform these functions for the respondent (data entry and review). The time required for data entry and review is estimated at 1 hour each (1 hour for subaward reporting; 1 hour for compensation data reporting) totaling 2 hours per respondent.¹ Using the Office of Personnel Management’s January 2016 Salary Table, the hourly rate for a GS 5/1 is \$13.54, and the hourly rate for a GS 12/1 is \$26.76. Therefore, the cost for one respondent is as follows:

| | |
|--|-----------------|
| Data Entry (GS 5/1 equiv.) hourly rate of \$13.54 x 1 hour = | 13.54 |
| Review (GS 12/1 equiv.) hourly rate of \$26.76 x 1 hour = | 26.76 |
| Overhead (36%) (labor costs) | 14.51 |
| Total Cost, One Respondent | \$ 54.81 |

Total Respondent Costs for States and Local Governments:

The estimated total annual cost burden to respondents is **\$54.81** x 161,420 is **\$8,847,430.20**.

These estimates are based on, in part, the assumptions made in the FAR Interim Final Rule, published July 8, 2010, that implements similar FFATA reporting requirements for Federal contracts. GSA has provided its best estimates based on available information. GSA will continue to review and revise these burden estimates as more information becomes available.

Total Respondent Costs for All Other Respondents

The estimated total annual cost burden to respondents is **\$54.81** x 53,808 hours is **\$2,949,216.48**. The estimated cost per response is approximately \$109.62.

These estimates are based on, in part; the assumptions made in the FAR Interim Final Rule, published July 8, 2010, that implements similar FFATA reporting requirements for Federal contracts. GSA has provided its best estimates based on available information. GSA will continue to review and revise these burden estimates as more information becomes available.

14. Provide estimates of annualized cost to the Federal Government.

Time required for Government-wide review is estimated at an average of 2 hours in reviewing and analyzing the information, to the extent that the pre-populated awardee has identified

¹ The two hour estimate is based on the FAR Interim final rule estimate of 1 hour of subaward reporting annually per respondent and 1 hour of compensation reporting annually per respondent.

inaccuracies in the pre-populated information.

Summary

| | Responses | Hours/Response | Total Hours | Total Cost | Cost Calculation |
|-------------------------------------|------------------|-----------------------|--------------------|------------------------|----------------------------------|
| State, local, and tribal government | 80,710 | 2 hr/response | 161,420 | \$8,847,430.20 | \$54.81/response x 161,420 hours |
| All Other | 26,904 | 2 hr/response | 53,808 | \$2,949,216.48 | \$54.81/response x 53,808 hours |
| TOTAL BURDEN | 107,614 | 2 hr/response | 215,228 | \$11,796,646.68 | |

15. Explain the reasons for any program changes or adjustments reported in Items 12 or 13.

Both the government and awardees are affected by the reporting requirement. These estimates represent joint costs shared by both the government and awardees. There are no fees associated with submitting a report, but there is an approximate estimate of 1 hr level of effort by both the government and awardee.

These estimated costs are a significant reduction from the last notice in 2014. The main reason is the number of reports submitted and accepted has significantly declined. There is no evidence this is the result of awardees uncompliant with regulation.

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.