

## **Supporting Statement**

### **OMB Control No: 3090-0290; System for Award Management Registration Requirements for Prime Grant Recipients**

#### **A. Justification.**

##### **1. Circumstances Making the Collection of Information Necessary**

In July 2012, the System for Award Management (SAM) became the primary registration database for the U.S. Federal Government. SAM currently collects, validates, stores, and disseminates data in support of agency acquisition and financial assistance missions. SAM validates entity registration information and electronically shares the secure and encrypted data with Federal agency finance offices to facilitate paperless payments through electronic funds transfer (EFT). Additionally, SAM shares the data with Federal Government procurement, grant, and electronic business systems.

Both current and potential Federal Government awardees of grants and cooperative agreements are required to register in SAM pursuant to Title 2 of the Code of Federal Regulations (CFR) in order to receive specified Federal awards. Entities complete a one-time registration process to provide basic information relevant to Federal grant transactions. Applicants and recipients, excepting individuals, of Federal grants have to register in SAM and maintain an active SAM registration with current information at all times during which they have an active Federal award or an application or plan under consideration by an agency pursuant to 2CFR Subtitle A, Chapter I, and Part 25 (75 FR 55673 as amended at 79 FR 75879).

In accordance with 2 CFR Subtitle A, Chapter II, Part 200, Subpart C, Section 200.208 Certifications and representations, Federal agencies are authorized to require non-Federal entities to submit certifications and representations required by Federal statutes, or regulations on an annual basis. Currently, most Federal agencies require non-Federal entities to submit certifications with each Federal assistance application by use of the Assurances for Non-Construction Programs (SF-424B) and on an annual basis thereafter. To streamline this data collection, OMB, in conjunction with the Federal assistance community, developed standard governmentwide certifications and representations to be certified by the non-Federal entity when registering in SAM.

In Fiscal Year 2019, OMB will reemphasize that SAM is the repository for standard information regarding applicants and recipients and that the standard governmentwide certifications and representations are to be certified within SAM at the time of registration and/or registration renewal should meet the need of governmentwide certifications and representations. This will reduce the unnecessary, duplicative practice of agencies requesting certifications and representations with the submission of each application and lead to phasing out the use of the SF-424B, thereby decreasing the burden level of Federal grant recipients and Federal agencies.

## **2. Purpose and Use of Information Collection**

The information required for SAM registration for Federal grants includes completing the Core Data and Points of Contact sections to provide, among other things, the registering entity's legal business name, address, DUNS number, and type of organization, as well as critical point of contact information (specific guidance for registrants is found at [www.sam.gov](http://www.sam.gov)). This information collected in SAM is used to validate entity registration information and electronically share the secure and encrypted data with Federal agency finance offices to facilitate paperless payments through electronic funds transfer (EFT). Additionally, SAM shares the data with Federal Government procurement, financial assistance, and electronic business systems.

With the addition of standard governmentwide certifications and representations in SAM, non-Federal entity will be able to provide the certification when registering in SAM which will reduce the burden level of Federal grant recipients. Also, Federal agencies' staff will be able to print or electronically file a PDF version of the certification for their grant files.

## **3. Use of Improved Information technology and Burden Reduction**

We use improved information technology to the maximum extent practicable. SAM is an Internet-based platform easily accessed from any computer enabling the registrant to submit all required information electronically.

## **4. Efforts to Identify Duplication and Use of Similar Information**

SAM was developed to centralize awardee information. This collection leverages the central clearinghouse capacity of SAM to ensure that prime grant awardees have minimal burden in providing the Federal Government with their identifying information and the certification of the federalwide representations and certifications. This will ensure that the information provided to the Federal Government once will be leveraged multiple times because SAM makes this information available directly to Federal Government procurement, grants, and electronic business systems. Federal agencies will be able to print or electronically file a PDF version of each registered entity's certification.

## **5. Impacts on Small businesses or Other Small Entities**

The burden applied to small businesses pursuing Federal grant awards is the minimum consistent with applicable laws, executive orders, regulations and prudent business practices. Required registration in SAM ensures that small businesses will not be required to provide the same entity identifying information to the Federal Government multiple times unnecessarily. If they are already registered in SAM with the intent to pursue Federal contract awards, there is no new burden.

## **6. Consequences of Collecting the Information Less Frequently.**

If the collection of this registration data from Federal prime grant awardees is allowed to expire, current registrants will not be able to update and renew their registration information and new

applicants will not be able to create their registrations in SAM. Federal agencies will not be able to obligate new Federal grant awards to unregistered entities. This could prevent award of critical Federal grant funding and impact government-wide grant programs.

## **7. Special circumstances for collection.**

Collection is consistent with guidelines in 5 CFR 1320.6.

## **8. Efforts to consult with person outside the agency, including comments received.**

### Discussion and Analysis

A 60-day notice published in the *Federal Register* at 83 FR 24311 on May 25, 2018. Five respondent's comments were received. The following are summaries of those comments and GSA's responses:

*Comment:* The respondent stated support for this proposal, citing that hard copies of assurance forms are signed multiple times throughout the year. By incorporating the assurances into the SAM registration, the processing of grants and cooperative agreements would be streamlined, thereby reducing the paperwork burden for both their agency and their subrecipients.

*Response:* GSA agrees that incorporating grants certifications and representation into the SAM registration process will result in a burden reduction for grantees, subrecipients and federal awarding agencies.

*Comment:* The respondent stated their support for incorporating governmentwide certifications and representations in SAM to reduce the duplicative collection of such documents by multiple Federal agencies.

*Response:* GSA agrees that incorporating grants certifications and representations into the SAM registration process will reduce the duplicative collection of such documents.

*Comment:* One respondent questioned whether non-Federal entities self-identify if they are (or anticipate being) a prime or subrecipient.

*Response:* Non-Federal entities registering in SAM do not self-identify whether they are a prime or sub-recipient. Many registered entities may be both a prime recipient and subrecipient for different awards.

*Comment:* One respondent commented that in order to continue collecting the SF424B Assurances from entities exempt from SAM (i.e. individuals), a corresponding form would still need to be maintained outside of SAM.gov.

*Response:* GSA has informed OMB of this requirement.

*Comment:* One respondent asked whether the system update to add the grant certifications and representations will trigger an unscheduled registration update requirement for all registered entities.

*Response:* The implementation of the grants certifications and representations in SAM will not trigger an unscheduled registration update for registered entities. Once the grant certifications and representations become active in SAM, per OMB guidance, all registered entities will complete their initial certifications in SAM during their annual re-registration. Federal agencies will continue to use their current processes for the submission of assurances (SF-424B) until such time that all their active grant recipients have completed their registrations in SAM.

*Comment:* One respondent asked if entities will be required to complete all certifications at each annual re-registration and suggested that a new collection may only be needed if the individual responsible for the submission at the registered entity changes in the future.

*Response:* The initial implementation will require entities to provide the certification during their initial registration and each subsequent annual re-registration. GSA is continually looking at ways to improve the SAM customer experience and will take the recommendation under advisement.

*Comment:* One respondent proposed the elimination of SF-424D – Assurances for Construction Programs and the incorporation of the form into the certifications and representations in SAM.

*Response:* GSA will implement additional certifications and representations into SAM, as directed by OMB. At this time, only the assurances in the SF-424B are being incorporated.

*Comment:* One respondent stated that the SAM registration process is time-consuming and frustrating for their foreign-based recipients and they object to adding another layer to the process. They further stated that their grants are usually under \$10,000.

*Response:* Although 2 CFR 25 – Universal Identifier and System for Award Management, requires that all entities applying for or receiving federal awards, including subrecipients of federal awards, must register in SAM, there are conditions under which a federal agency may exempt a foreign entity from this requirement. 2 CFR 25.110 (d)(2)(ii) allows agencies to determine the practicality of whether a “foreign entity applying for or receiving an award or subaward for a project or program outside the United States valued at less than \$25,000” must comply with the SAM registration requirement.

*Comment:* One respondent stated that eliminating an agency’s ability to require certifications and assurances on their own application is impractical.

*Response:* Although the standard governmentwide certifications and representations will be certified in SAM, Federal agencies will still be able to require the submission of agency or program specific certifications and representations with applications.

*Comment:* One respondent stated that the cost and implementation timeline considerations for agencies with online project and grant application systems. The respondent further stated that they could not implement system changes by October 1.

*Response:* GSA has informed OMB of this consideration. The implementation date for entities to begin providing certifications during their initial registration and their subsequent annual re-registration will be no earlier than January 1, 2019. The full transition to grant certifications in SAM will not be completed for a year, since existing registrants will complete the certifications in their annual re-certification process. Once a recipient has registered or re-registered, the Federal agency will be able to download or print a copy of the entity's certification to be entered into the entity's grant award file.

A 30-day notice was published in the *Federal Register* at 83 FR 51955 on October 15, 2018.

**9. Explanation of any payment or gift to respondents, other than remuneration of awardees.**

No payment or gift will be provided to participants.

**10. Assurance of confidentiality provided to respondents.**

The information is disclosed only to the extent consistent with prudent business practices and current regulations. All sensitive entity information in SAM is restricted solely to authenticated users of SAM. A System of Records Notice announcing the System for Award Management was published in the Federal Register at 78 FR 11648 on February 13, 2013.

**11. Justification for questions of a sensitive nature.**

No sensitive questions are involved.

**12. Estimated total annual public hours.**

It is estimated that an average of 2.5 hours will be required for each respondent to review and update their current registration in SAM, and to review, prepare for, and complete the SAM registration for new registrants. The figure of 143,334 grant respondents was derived from the SAM active registration metrics as of February 2, 2018 that are Federal Assistance (Grant) respondents. Respondents who register to receive contract awards have no additional burden as a result of this information collection. GSA will continue to review and revise these burden estimates as more information becomes available.

Annual Public Burden

Number of Respondents	143,334
Responses per respondent	<u>x 1</u>
Total annual responses	143,334
Preparation time per response (per hour)	<u>x 2.5</u>
Total response burden hours	358,335

**13. Estimated total annual cost to respondents.**

Respondents will complete the initial registration and update their registration annually. It is estimated that the hourly rate of the respondent is \$39.20. The cost per response is \$98.00.

#### Annual Cost to the Respondents

Total Response Burden Hours (see item 12 above)	358,335
Hourly Rate	x \$39.20
Total Cost to the Public	\$14,046,732

#### **14. Estimated annual cost to the Government.**

Time required for Government-wide review is estimated at 1 hour in receiving, reviewing, and analyzing the information submitted by the respondents. This estimate attempts to account for Federal agencies working with registrants to answer their questions, burden to supporting help desks, and time spent investigating registration challenges faced by registrants.

#### Annual Government Burden and Cost

Responses	143,334
Reviewing time/hr	<u>1</u>
Review time/yr	143,334
Average wages/hr (GS 12, step 1 hourly rate)	x \$39.20
Average wages/yr	\$5,618,692.80
Benefits and overhead	<u>100%</u>
Total Government cost	\$5,618,692.80

The cost of \$39.20 per hour is based on GS-12, step 1 salary for the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA metropolitan area.

#### **15. Explanation for Program Changes or Adjustments.**

This is a revision of a currently approved public information collection based on actual active grant registrants as of February 2, 2018 as reported in SAM.

2 CFR Subtitle A, Chapter I, and Part 25 mandates that the System for Award Management (SAM) serve as the repository for standard information about applicants and recipients. The burden is relative to the number of registrants for grant awards, which was as of February 2018, 143,334 entities, while when calculated for the previous burden there were 177,960 estimated registrants for grants. The reduction in respondents is due to the improved calculations based on using actual grant registrants in SAM. The increase in burden hours is due to the additional registration time for new users, and for existing users to review and update registration information.

#### **16. Plans for Tabulation and Publication and Project Time Schedule**

Results will not be tabulated or published. This information collection will be ongoing.

**17. Reasons the Display of OMB Expiration Date is Inappropriate.**

We are not requesting an exemption.

**18. Explanation of exception to certification statement.**

We are not requesting an exemption.

**B. Collections of Information Employing Statistical Methods.**

Statistical methods are not used in this information collection.