

SUPPORTING STATEMENT PARTS A AND B

TITLE OF INFORMATION COLLECTION: NASA Contractor Financial Reporting System (NASA FORMS 533M AND 533Q)

TYPE OF INFORMATION COLLECTION: Extension with 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, is the basic financial medium for contractor reporting of both estimated and incurred costs. This information provides NASA with essential data for projecting costs and hours to ensure 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). 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 provide data necessary to achieve compliance with SFFAS #4, Managerial Cost Accounting Standards and Concepts for the Federal Government.

The NF 533 system is implemented through the following:

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

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

Cost data is collected on work performed for NASA by contractors awarded cost-reimbursement or other contracts. Information is also collected from contractors awarded cost type, price redetermination, and fixed-price incentive contracts providing the value of work performed as agreed to in the terms of the contract.

The majority of the reports are provided electronically via e-mail. The reports are required to be submitted when the following dollar and period of performance criteria are met:

CRITERIA		REPORT FORMAT	
Contract Value	Period of Performance	NF 533M (Monthly)	NF 533Q (Quarterly)

\$500,000 to \$999,999	1 year or more	Required	Optional
\$1,000,000 and greater	Less than 1 year	Required	Optional
\$1,000,000 and greater	1 year or more	Required	Required

The reported information 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 who directly receive the report and NASA offices that query cost data in NASA's data storage and reporting tool. Privileged financial information is not shared outside of NASA unless informed consent is received from the contractor.

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, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection.

NPR 9501.2 states that electronic reporting is preferred and the NF 533 instructions direct contractors to NASA's Electronic Forms (NEF) System as to access and electronically fill the NF 533M and NF533Q.

	Instrument #1	Instrument #2
Information Collection Instrument Title	NF 533M	NF533Q
Instrument Format	Electronic	Electronic
If electronic, is the instrument fillable?	Yes	Yes
If electronic, is the instrument savable electronically?	Yes	Yes
Can the Instrument be filed electronically?	Yes	Yes

Contractors have the flexibility to submit the information, using their existing management systems, as long as the requisite data elements are included.

4. Describe efforts to identify duplication.

The financial data collected by NASA via the NF 533s are not collected by any other data collection mechanism in use at NASA. As a result, there is no duplication in the collection of this information.

5. **If the collection of information impacts small businesses or other small entities (Item 5 of the OMB Form 83-I), describe the methods used to minimize burden.**

Reporting requirements are simplified to the greatest extent practicable. Small businesses have the flexibility to use their existing management systems to generate the reports as long as the requisite data elements are included.

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 an exceptional manner:**

The NF 533M is a monthly report. This reporting frequency is required by NASA to capture current accrued cost information.

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. NASA does not anticipate any circumstances that would require reporting of the NF533Q more than quarterly.

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.**

60-day FRN: Federal Register Volume 87, Number 010, on 01/14/2022. No comments were received.

30-day FRN: Federal Register Volume 87, Number 082, on 04/28/2022.

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 respondent cost.

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

The NF 533 reports may contain contractor-privileged information or proprietary information. NASA Procedural Requirement (NPR) 9501.2 states NASA personnel shall ensure the contractors' financial and business information contained in the reports will not be disclosed outside the Government, except in accordance with procedures set forth

in 14 CFR 1206, Availability of Agency Records to Members of the Public, and disclosure of such information to other Government agencies will be made in accordance with 44 U.S.C. 3510(b).

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.

Questions of a sensitive nature are not collected.

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.

RESPONDENT CATEGORY	NUMBER OF RESPONDENTS	ESTIMATED COMPLETION TIME	ANNUAL BURDEN
Business or other for-profit (NF 533M)	500	72	36,000
Business or other for-profit (NF 533Q)	500	36	18,000
TOTAL	500	108	54,000

Note: The Estimated Completion Time is the Participation Time (hours) x Responses/year (i.e. for the NF-533, the Participation Time (hours) is 9 and the Responses/year is 8, for an Estimated Completion Time of 72.

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

Respondents are fully reimbursed for costs incurred in the preparation and submission of these reports, as part of the remuneration they receive under their contract.

Report data is generated from the respondents existing systems associated with their internal accounting processes. There are, therefore, no special systems start-up or operational/maintenance costs related to NF 533 reporting.

The amount of time it takes for a respondent to prepare and submit information varies. Some contractors use less time while others use more. NASA estimates 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, consistent with NASA policy.

Contractors may submit internal report formats other than the NF 533s, so long as the required data elements are included.

14. Cost to the Federal Government: Provide estimates of annualized costs to the Federal government.

Annualized cost to the Federal Government is estimated to be \$9.1 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 for respondents to accomplish these activities and 59,750 total annual hours for NASA to process the data received. Labor was generally priced at an average of \$80 per hour.

15. Changes in Burden: Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I, if applicable.

The number of actions related to contracts meeting the reporting criteria have remained steady over the past three years.

Number of Respondents	500
Total annual responses	6,000
New Burden (Total annual hours requested)	54,000
Previous Burden (current OMB inventory)	54,000
Burden Reduction	0

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

The results will not be published.

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.

The expiration date for OMB approval is displayed within the PRA statement on each information collection instrument (NF 533M and 533Q).

- 18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.**
The NASA information collection sponsor must address the certification below and enter their name and position title. The NASA Office of the Chief Information Officer must concur on any exceptions requested by the information collection sponsor, or the package will not be forwarded to OMB.

The proposed collection of information –

(a) is necessary for the proper performance of the functions of NASA, including that the information to be collected will have practical utility;

(b) is not unnecessarily duplicative of information that is reasonably accessible to the agency;

(c) reduces to the extent practicable and appropriate the burden on persons who shall provide information to or for the agency, including with respect to small entities, as defined in the Regulatory Flexibility Act (5 U.S.C. 601(6)), the use of such techniques as:

(1) establishing differing compliance or reporting requirements or timelines that take into account the resources available to those who are to respond;

(2) the clarification, consolidation, or simplification of compliance and reporting requirements; or

(3) an exemption from coverage of the collection of information, or any part thereof;

(d) is written using plain, coherent, and unambiguous terminology and is understandable to those who are targeted to respond;

(e) indicates for each recordkeeping requirement the length of time persons are required to maintain the records specified;

(f) has been developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected, including the processing of the information in a manner which shall enhance, where appropriate, the utility of the information to agencies and the public;

(g) when applicable, uses effective and efficient statistical survey methodology appropriate to the purpose for which the information is to be collected; and

(h) to the maximum extent practicable, uses appropriate information technology to reduce burden and improve data quality, agency efficiency and responsiveness to the public; and

(i) will display the required PRA statement with the active OMB control number, as validated on www.reginfo.gov

The NASA office conducting or sponsoring this information collection certifies compliance with all provisions listed above.

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