

General Services Administration
Federal Audit Clearinghouse
OMB Control Number 3090-XXXX
Justification – Part A Supporting Statement

Overview of Information Collection:

The Federal Audit Clearinghouse (FAC) operates on behalf of the Office of Management and Budget (OMB) and serves as the central collection point and repository for single audit reporting packages prepared and submitted for non-federal entities, such as states, local governments, nonprofit organizations, Indian tribes and tribal organizations, and institutions of higher education that expend \$750,000 or more in federal awards during their fiscal periods. While the Uniform Guidance refers to such entities as “auditees,” such entities are referenced as “grantees” here for added clarity. This data collection is mandated by the Single Audit Act Amendments of 1996 (PL 104-156) and OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance or 2 C.F.R. Part 200).

Grantees meeting the dollar threshold defined in OMB Uniform Guidance must submit SF-SAC (Form) and their single audit reporting package to the FAC. The grantee must complete the single audit submission every fiscal period they meet the reporting dollar threshold. These submissions assist federal agency inspectors general and grant administrators in monitoring the use of more than \$1.3 Trillion in federal award expenditures annually. Data collected by the FAC is available to the public through a FAC data dissemination/query system.

Historically the U.S. Census Bureau (Census) has operated the FAC as the OMB-designated repository of record for single audits. However, OMB designated the General Services Administration (GSA) as the new provider for the FAC, effective October 1, 2023.

1. Need & Method for the Information Collection.

This data collection is mandated by the Single Audit Act Amendments of 1996 (PL 104-156) and OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance or 2 C.F.R. Part 200). This mandates that Non-federal grantees are required by the Single Audit Act Amendments of 1996 and Uniform Guidance to have audits conducted of their federal awards and file the resulting Single Audit Report and Form with the FAC. The SF-SAC is Appendix X to 2 CFR Part 200.

Grantees meeting the dollar threshold defined in Uniform Guidance must submit the Form and their single audit reporting package to the FAC. The grantee must complete the single audit submission every fiscal period they meet the reporting dollar threshold. A

qualifying grantee is required by law to submit the Form and reporting package to the FAC within 30 days after receipt of the auditor's report(s) or nine months after the end of the fiscal period – whichever is earliest. This is an ongoing collection process, with deadlines conceivably occurring daily.

All data elements are collected via a web application that is designed to assist the grantee in completing the data collection form. Per CFR 200.512, after a grantee's fiscal period ends, a senior level representative from the grantee accesses the FAC web application to submit the required information and certify its accuracy. The auditor that completed the reporting package also accesses the web application to enter any required data and certify its accuracy.

The data collected through this process is paramount to the oversight of federal spending. The Single Audit process is the primary method used by federal agencies and pass-through entities to provide oversight of federal awards and reduce risk of non-compliance and improper payments. This includes following up on audit findings and questioned costs.

2. Use of the Information.

This information collection provides data about grantees, the federal awards they expend, and the results of their audits. This information is used by entities responsible for overseeing the funding and administration of Federal awards (e.g., Congress, Federal agencies, and pass-through entities) and entities responsible for administering Federal awards (e.g., state governing officials, county and city councils, boards of directors of nonprofit organizations, and senior management of various grantee organizations). The information is used in making decisions about which federal awards and recipients to fund in the future, identifying and resolving areas of noncompliance, and improving the administration and delivery of federal awards.

Federal grant-making agencies, non-federal grantees, and grants pass-through entities use submitted Forms and Single Audit reporting packages to ensure federal awards are expended in accordance with applicable laws and regulations. The FAC also makes the information on the Form publicly available on its data dissemination web application.

The Uniform Guidance requires the FAC to make the reporting package and the Form publicly available on a website. There is an exception for Indian Tribes and Tribal Organizations (2 CFR 200.512(b)(2)). A grantee that self-identifies as an Indian Tribe (as defined in the Indian Self-Determination, Education and Assistance Act (ISDEAA), 25 U.S.C 5304) may opt to not authorize the FAC to make the reporting package publicly available on a website. For these exempted grantees, the text of the audit findings, the text of the corrective action plan, and the text portions collected as part of the Notes to the Schedule of Expenditures of Federal Awards (Notes to the SEFA) (all 3 are included in the reporting package) will not be publicly released on the Form.

The data collected by the FAC is used by federal grant-making agencies, grants pass-through entities, non-federal grantees, auditors, the Government Accountability Office (GAO), OMB, and the general public for information about, and management of, federal awards and the results of audits.

This information is essential in developing effective government-wide audit policies overseeing federal awards. The Single Audit Act Amendments of 1996 require OMB to perform a biennial review of the threshold that triggers an audit requirement, prescribe a risk-based approach to auditing major programs, and provide guidance on other matters necessary to implement the Single Audit Act. OMB cannot perform its duties required by the Single Audit Act Amendments or develop audit policies without the information provided under this data collection.

3. Use of Information Technology.

All responses are collected electronically.

All data elements are collected via a web application designed by GSA staff and contractors, thus eliminating the need for mass mailings to individual respondents. The FAC consulted with OMB, single audit processing staff, federal agencies, and public stakeholders such as the Single Audit community, using the data collected for monitoring awards and resolving audit findings, and has supported mandatory electronic web-based submission since in 2008. This web application is available at <https://fac.gov/>.

The FAC system allows users to self-designate individuals from the grantee's and auditor's organizations who require access to the submission for data entry, review, and/or certification. Grantees start a new submission by entering general information about the grantee organization, such as the fiscal period, Unique Entity Identifier (UEI), etc. The grantee answers additional questions pertaining to their organization, as the system directs them through the data entry form (e.g., if there are audit findings identified on any of the federal awards entered, the audit findings section will become available). A series of edit checks ensure the entered data is valid according to auditing standards before it can be finalized. The system allows users to upload an electronic copy of the Single Audit report directly into the system.

After the system data entry form is completed and the audit report is uploaded, grantees review, certify, and submit their data, which are then uploaded to GSA secure servers.

4. Non-duplication.

There is no similar information available elsewhere in the FAC's data collection process that contains information on, and full copies of, audits of federal awards on a government-wide basis. Some federal agencies maintain data on the amount of federal programs they budget and award, while others maintain data on the audit results of

programs they fund, but no federal agency, other than the host agency for the FAC, currently tracks the actual amount of federal awards expended and the related audit results by grantees for all federal awards subject to the Uniform Guidance.

The government-wide database maintained by the FAC eliminates the need for individual agencies to independently track this type of information for the federal awards they fund. It also eliminates redundancies in that grantees conduct one Single Audit instead of multiple audits and submit the audit data to a central clearinghouse instead of to multiple grant making agencies.

5. Burden on Small Business.

This information collection will not have a significant economic impact on a substantial number of small entities. A non-federal grantee must have a single or program-specific audit conducted only if the non-federal grantee expends \$750,000 or more in federal awards during their fiscal period (2 CFR 200.501(a)).

6. Less Frequent Collection.

The recurring collection of information at the conclusion of each grantee's fiscal period (ranging from 1 to 24 months) is necessary to meet a statutory requirement under the Single Audit Act Amendments of 1996 (Public Law 104-156). Thus, the collection cannot be less frequent. The information collected is vital to federal agencies providing these grants, to those in the research community, and to the general public.

7. Paperwork Reduction Act Guidelines.

The Uniform Guidance requires grantees to submit the Form and Single Audit reporting package for each audit period in which they meet the qualifications for a Single Audit. An audit period is typically never less than one year except in rare circumstances when an organization reorganizes and/or changes its fiscal period. Single Audits are due to the FAC within 30 calendar days after receipt of their auditor's report(s), or nine months after the end of the qualifying audit period – whichever is earliest (2 CFR 200.512(a)). No other special circumstances apply to the information collection.

8. Consultation and Public Comments

The FAC held teleconferences with volunteer representatives from federal agencies such as the Department of Health and Human Services (HHS) and the Office of Management and Budget (OMB) and sought input from auditing organizations such as the American

Institute of Certified Public Accountants (AICPA) and National Association of State Auditors, Comptrollers and Treasurers (NASACT) in discussions of any proposed changes to its data collection process. Proposed changes were also discussed at stakeholder meetings with other federal agency representatives and respondents present.

It was determined that since the Federal Audit Clearinghouse is transitioning to another federal agency, there would be minimal changes made to the data collection process or Form at this time. Those changes will include:

- end collection of the Grantee’s Data Universal Numbering System (DUNS) number *and instead*
- collect grantee’s Unique Entity Identifier (UEI)
- upload the majority of data via templates rather than graphical user interface (GUI) in the initial GSA system, subject to creation of a GUI for additional data submission options before expiration of this proposed clearance
- when available, import the grantee name and address directly from SAM.gov (when the grantee’s UEI is entered, their grantee name and address will be pulled from SAM.gov into Part I of the Form)
- update terminology, similar to the following, in order to be in compliance with the Grant Reporting Efficiency and Agreements Transparency (GREAT) Act: *change “award” to “federal award”; “CFDA” to “Assistance Listing”*
- clarify on-screen and/or Form instructions to improve data collection and accuracy, as part of the creation of an updated data collection and dissemination system

The public was provided 60 days to comment on the proposed form and instructions published in the Federal Register on December 22, 2022 [87 FR 78684].

See Attachment III for a summary of comments and responses.

A 30-day notice published in the *Federal Register* at 88 FR 55699 on August 16, 2023.

9. Gifts or Payment.

No payments or gifts are given to respondents of this data collection.

10. Privacy & Confidentiality.

Upon receipt of the federal grant(s) or award(s), non-federal grantees are informed of the laws, regulations, and statutes required for the grant, as well as the submission requirement to the FAC specified in the Uniform Guidance (2 CFR.200).

The data from this information collection will be made publicly available as required by the Uniform Guidance (2 CFR 200.512(d) and (g)) and the Single Audit Act

Amendments of 1996 (Public Law 104-156, §7502(h)). Non-federal grantees that expend \$750,000 or more in Federal awards during their fiscal period are required to electronically submit the Form and reporting package to the FAC (2 CFR 200.512(d)). There is an exception for Indian Tribes and Tribal Organizations (2 CFR 200.512(b)(2)). A grantee that is an Indian tribe (as defined in the Indian Self-Determination, Education and Assistance Act (ISDEAA), 25 U.S.C 5304) may opt to not authorize the FAC to make their reporting package publicly available on a website. For these exempted grantees, the text of the audit findings, the text of the corrective action plan, and the text portions of the Notes the SEFA (all 3 items are included in the reporting package) will not be publicly released on the Form.

Upon completion of the data entry process, the FAC system requires a senior level representative from the grantee, as well as the auditor that completed the reporting package, to certify the accuracy of what has been entered into the FAC system. Part of this certification requires acknowledgement that the information provided does not include any PII (Personally Identifiable Information) or BII (Business Identifiable Information), or if it does, that FAC is still authorized to post that information publicly on a website.

11. Sensitive Questions.

There are no questions in the data collection that are commonly considered sensitive.

12. Burden Estimate.

The GSA estimates 45,000 annual Single Audit submissions, submitted by grantees with support from their auditors. The grantee and their auditor submit jointly the Single Audit. For purposes of this clearance package, the grantee burden will be calculated in this section, while the auditor burden, since it is paid for through a portion of the grant awards received, will be calculated under Item 14 “estimated cost to the government.”

The total burden for a large grantee is estimated at 100 hours, while the total burden for a small grantee is estimated at 21 hours. These estimates reflect the burden associated with the Form, including the time to review instructions, obtain the required data, and complete and review the information. Based on these estimates, the estimated total annual burden is 962,775 hours.

Each respondent is required to submit the Form and the reporting package annually within 30 calendar days after receipt of the auditor’s report(s), or nine months after the end of the audit period – whichever is earliest (2 CFR 200.512(a)). An exception to the annual audit is permitted by the Uniform Guidance and Single Audit Act Amendments of 1996, based on agency specific requirements such as a fiscal period other than one year as for biennial audits or stub-period audits (fiscal periods that are shorter than one calendar year), in limited circumstances.

The estimated number of respondents used to calculate the burden hours has increased since the previous OMB approval (2022), due to an anticipated short-term spike in submissions resulting from coronavirus funding. The number of hours to complete each submission has not changed, however, as the data collection requirements and Form have not changed materially.

The following reflect estimates of reporting burden on grantees.

Number of respondents	Average time per response	Annual burden
Large grantee -- 225	100 hrs.	22,500
Other grantee – 44,775	21 hrs.	940,275
Total 45,000	Avg. 21.395 hrs.	962,775 Total

The average hourly wage for a state¹, local government², or nonprofit organization³ employee, as a proxy for grantee staff completing the audit, is approximately \$29 per hour. Therefore, the total annual cost of burden on grantee respondents is \$27.9 million, based on the 225 large grantee respondents with the estimated average burden hours of 100 hours, and the 44,775 small grantee respondents with the estimated average burden hours of 21 hours.

¹state wages: https://data.bls.gov/cew/apps/table_maker/v4/table_maker.htm?type=11&year=2016&qtr=A&o&own=2&area=US000&supp=1

²local wages: https://data.bls.gov/cew/apps/table_maker/v4/table_maker.htm?type=11&year=2016&qtr=A&own=3&area=US000&supp=1

³non-profit wages: <https://www.bls.gov/opub/mlr/2016/article/nonprofit-pay-and-benefits.htm>

13. Estimated nonrecurring costs.

We do not expect respondents to incur any costs other than that of their time to respond. The information requested is of the type and scope normally carried in company records and requires no special hardware or accounting software or system to provide answers to this information collection. Moreover, the record of an entity’s Single Audit submission is maintained by the FAC, so is a de minimus cost to the respondent. Therefore, respondents are not expected to incur any capital/start-up or ongoing operation/maintenance costs associated with this information collection.

14. Estimated cost to the Government.

The Federal Government expects to spend between \$5.5-7 million per year to maintain and enhance the information technology supporting the FAC as well as to staff the FAC. This estimate includes the cost for such things as data collection, processing,

dissemination, overhead, staff, website maintenance, etc. This cost is to be covered by appropriations from interagency agreements with various federal agencies, prorated by the percentage of all submissions that had funding from the respective agency during the recent five audit years. The budget breakouts are approved by OMB.

Costs incurred by grant-making agencies for their federal spending oversight are not included here.

Additionally, the cost of auditor reporting burden is borne by the government, as it is paid for through a portion of the grant awards received. The following reflects estimates of reporting burden on auditors who play a role in the submission of the Form and reporting package. These estimates reflect the burden associated with completion of the Form and Single Audit package, including the time to review instructions, obtain the required data, and complete and review the information. Based on these estimates, the estimated total annual burden is 962,775 hours.

Number of respondents	Average time per response	Annual burden
Large grantee -- 225	100 hrs.	22,500
Other grantee – 44,775	21 hrs.	940,275
Total 45,000	Avg. 21.395 hrs.	962,775 Total

The average hourly wage for a CPA in the United States¹, as a proxy for auditor staff completing the audit, is approximately \$45 per hour. Therefore, the total annual cost of burden on auditor respondents is \$43.3 million, based on the 225 large grantee respondents with the estimated average burden hours of 100 hours, and the 44,775 small grantee respondents with the estimated average burden hours of 21 hours.

Therefore, including the cost of auditor burden and the cost of maintaining and operating the FAC, the total annual cost to the government is approximately \$48.8-50.3M

¹CPA wages: <https://www.indeed.com/career/certified-public-accountant/salaries>

15. Reasons for changes.

This is a new collection for GSA, however, FAC collection previously existed under the Census Bureau. The estimated number of respondents used to calculate the burden hours has increased since the previous OMB approval under Census (2022), due to an anticipated short-term spike in submissions resulting from coronavirus funding. The number of hours to complete each submission has not changed, however, as the data collection requirements and Form have not changed materially.

16. Publicizing Results.

The FAC data collection tool allows users to submit the Form and Single Audit report for the current fiscal period and approximately five preceding fiscal periods. The system is fully accessible 24/7 which means users are able to submit their data any time, any day, including weekends and holidays.

The GSA projects that by September 30, 2023 it will begin collecting data for fiscal periods ending in 2023, and will begin collecting data for fiscal periods ending in 2024 and 2025 in approximately April of each of those years. In addition, GSA will collect FY19-FY22 data, to the extent such data has not been timely submitted to the FAC or needs to be revised. Such collections are on an occasional basis. The data collection will then be ongoing, as submission deadlines are dependent on the grantee's fiscal period.

Data submitted via the FAC system and accepted by the FAC is published immediately. No additional tabulations or analyses are performed and published.

17. OMB Not to Display Approval.

The agency plans to display the expiration date for OMB approval of the information collection on all instruments.

18. Exceptions to "Certification for Paperwork Reduction Submissions."

The agency certifies compliance with 5 CFR 1320.9 and the related provisions of 5 CFR 1320.8(b)(3)

19. Surveys, Censuses, and Other Collections that Employ Statistical Methods. If this request includes surveys or censuses or uses statistical methods (such as sampling, imputation, or other statistical estimation techniques), a Part B supporting statement must be completed.