

Supporting Statement

OMB Control No: 3090-0290; System for Award Management Registration Requirements for Financial Assistance Recipients

A. Justification.

1. Circumstances Making the Collection of Information Necessary

In late July 2012, the System for Award Management (SAM) replaced the Central Contractor Registration (CCR) system as the primary registration database for the U.S. Federal Government. SAM (SAM.gov) 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, financial assistance, and electronic business systems.

Both current and potential Federal Government awardees are required to register in SAM pursuant to Title 2 of the Code of Federal Regulations (CFR) and the Federal Acquisition Regulation (FAR) to receive specified Federal awards. Entities complete a one-time registration process to provide basic information relevant to procurement and Federal financial assistance transactions. Applicants and recipients of Federal financial assistance, unless the applicant is an individual or Federal awarding agency that is excepted from those requirements, are required 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 2 CFR Subtitle A, Chapter I, and Part 25 (75 FR 55673 as amended at 79 FR 75879).

This information collection was amended to meet a statutory requirement of the National Defense Authorization Act (NDAA) of FY 2013. The NDAA of 2013 requires that the Federal Awardee Performance and Integrity Information System (FAPIIS) (currently located in SAM) include information on a non-Federal entity's parent, subsidiary, or successor entities. Applicants will need to provide information in SAM on their immediate and highest level owner as well as on all predecessors that have been awarded a Federal contract, grant, or cooperative agreement within the last three years. Additionally, the information collection was amended to increase transparency regarding Federal spending and to support implementation of the Digital Accountability and Transparency Act of 2014 (DATA ACT).

The Office of Management and Budget (OMB) further expanded the requirement to register in SAM beyond grants, cooperative agreements, and contracts, to entities that receive financial assistance, such as loans, insurance, and direct appropriations. This information collection requirement is included in OMB's revision to guidance in 2 CFR Subtitle A, Chapter I, and Parts 25, 170 and 200, effective June 12, 2023.

2. Purpose and Use of Information Collection

The information required for SAM registration for Federal financial assistance includes completing the Core Data and Points of Contact sections to provide, among other things, the registering entity's legal business name, address, and type of organization, as well as critical point of contact information (specific guidance for registrants is found at www.sam.gov). Entities must also read and agree to Financial Assistance Certifications and Representations as part of their registration. 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. Estimates of burden are calculated for financial assistance only.

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 the information electronically.

4. Efforts to Identify Duplication and Use of Similar Information

SAM was developed to centralize registrant information. This collection leverages the central clearinghouse capacity of SAM to ensure that financial assistance registrants have minimal burden in providing the Federal government with their identifying information. This will ensure that the information provided to the Federal government once, will be used multiple times because SAM will share this information with Federal government procurement, financial assistance, and electronic business systems.

5. Impacts on Small businesses or Other Small Entities

Required registration in SAM will reduce burden to small businesses that would otherwise be required to provide the same entity identifying information to the Federal government multiple times unnecessarily. If a registrant is already registered in SAM with the intent to pursue Federal grant, cooperative agreement, or contract awards, there is no new burden. Also, small entities are not likely to have an owner, predecessor, and/or subsidiary that would require reporting. However, it is minimally burdensome for a small entity to provide the name of its immediate and highest level owner, should this be applicable.

6. Consequences of Collecting the Information Less Frequently.

If the collection of this registration data from Federal prime financial assistance registrants is allowed to expire, current registrants will not be able to update and renew their registration information and new registrants will not be able to create their registrations in SAM. Federal agencies will not be able to obligate new Federal financial assistance awards to unregistered entities. This could prevent the award of critical Federal financial assistance funding and impact government-wide financial assistance programs.

7. Special circumstances for collection.

Collection is consistent with guidelines in 5 CFR 1320.6.

8. Efforts to consult with people outside the agency, including comments received.

A 60-day notice published in the *Federal Register* at 88 FR 64911 on September 20, 2023. No comments were received.

A 30-day notice published in the *Federal Register* at 88 FR 82895 on November 27, 2023.

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.

11. Justification for questions of a sensitive nature.

No sensitive questions are involved.

12 & 13. Estimated total annual public hours and cost burden.

As of July 2023, there were 211,959 entities registered in SAM for financial assistance. Therefore, based on the number of entities with Unique Entity Identifiers that are registered in SAM solely for financial assistance purposes, the total number of entities that may be impacted by the proposed guidance associated Information Collection Requests under OMB control number 3090-0290 could be 211,959 registrants. The number of respondents estimated in this section is based on the best available data from SAM. It is estimated that an average of 2.5 hours will be required for each new or current registrant to review, prepare, and complete or update their registration in SAM. GSA will continue to review and revise these burden estimates as more information becomes available.

Annual Public Burden and Cost¹

| | |
|--------------------------|------------|
| Respondents | 211,959 |
| Responses per respondent | <u>X 1</u> |

¹ The estimated hourly rate is calculated using the Bureau of Labor Statistics Occupational Employment Statistics Query System selecting the national hourly mean wage for management analysts, July 2023 (<https://data.bls.gov/oes/#/occGeo/One%20occupation%20for%20multiple%20geographical%20areas>).

| | |
|--------------------------------|--------------|
| Total responses | 211,959 |
| Preparation hours per response | X 2.5 |
| Total response burden hours | 529,898 |
| Hourly rate | X \$50.32 |
| Total Cost to public | \$26,664,467 |

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 Cost²

| | |
|------------------------------|--------------|
| Responses | 211,959 |
| Reviewing time/hour | X 1 |
| Review time/year | 211,959 |
| Estimated Federal wages/hour | X \$45.14 |
| Total annual government cost | \$ 9,567,829 |

15. Explanation for Program Changes or Adjustments.

This is a renewal of a currently approved public information collection based on actual financial assistance registrants in SAM as of July 2023.

2 CFR Subtitle A, Chapter I, and Part 25 mandates that the System for Award Management serve as the repository for standard information about applicants and recipients of financial assistance. The burden is relative to the number of registrants for Federal assistance, which was 211,959 in July 2023, while when calculated for the previous information collection burden there were 159,477 estimated registrants for financial assistance in the system. The increase in burden is due to the increased compliance with the Code of Federal Regulations requirement to register in the centralized and integrated system as well as the increase in the number of entities applying for the grants and other financial assistance available through the Federal government.

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 Display of OMB Expiration Date is Inappropriate.

² The estimated cost per hour is from Office of Personnel Management Salary Table 2023 DCB for a general schedule employee at a GS-12 Step 1 in the locality pay area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA

(https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2023/DCB_h.pdf)

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.