**Supporting Statement - Part A**

**Title of information collection:** NASA Contractor Financial Reporting System
**Type of information collection:** Reinstatement with change
**Abstract:** The NASA Contractor Financial Management Reporting System, utilizing NASA Forms 533M and 533Q, serves as the primary method for contractors to report estimated and incurred costs, crucial for NASA's cost and hour projections. This data is essential for the agency's accrual accounting, cost-based budgeting, and the generation of accounts payable for audited financial statements, ensuring compliance with federal regulations and accounting standards.

Changes:
- In the amounts section of the Instructions Page: Remove language after the word “hours” and update the verbiage to specifically read as Report in Whole Dollars and Hours.

## 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, 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, soliciting comments on the information collection prior to submission to OMB.**

60-day FRN: 90 FR 17983 on 4/30/2025. Comments were not received.
30-day FRN: 90 FR 28817 on 7/1/2025.

**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 (hours) | Annual burden (hours) |
|---|---|---|---|
| NF 533M (8x per year) | 500 | 72 hrs / yr | 36,000 |
| NF 533Q (4x per year) | 500 | 36 hrs / yr | 18,000 |
| **TOTAL** | **~~500~~ 6,000** | **108 hours / yr** | **54,000 hours** |

Note: The Estimated Completion Time is the Participation Time (hours) x Responses/year (i.e. for the NF-533M, 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. 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. Explain the reasons for any major program changes or adjustments to burden hours or annualized costs to respondents.**

No major program changes or adjustments are being made this renewal.

**16. 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.**

NASA is not seeking an exemption.

**18 The NASA office conducting or sponsoring this information collection certifies compliance with all provisions.**

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