

SUPPORTING STATEMENT
0572-0112
7 CFR 1775, Technical Assistance Programs

OMB Terms of Clearance: NONE

A. Justification

1. Explain the circumstances that make the collection of information necessary.

Technical Assistance and Training (TAT) and Solid Waste Management (SWM) are competitive grant programs which the Rural Utilities Service (RUS) administers. Section 306 of the Consolidated Farm and Rural Development Act (CONACT), 7 U.S.C. 1926, authorizes RUS to make loans and grants to public agencies, American Indian tribes, and nonprofit corporations. The loans and grants fund the development of drinking water, wastewater, and solid waste disposal facilities in rural areas with populations of up to 10,000 residents. Under the CONACT, 7 U.S.C. 1926(a), as amended, Section 306(a) (14)(A) authorizes Technical Assistance and Training grants, and 7 U.S.C. 1932(b), Section 310B authorizes Solid Waste Management grants. Grants are made for 100 percent of the cost of assistance. TAT grants have grown from \$2.3 million in 1988 to \$18.2 million today; SWM grants, from \$1.5 million in 1991 to \$3.6 million. These grant programs are administered through 7 CFR 1775.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.

Nonprofit organizations receive TAT and SWM grants to help small rural communities or areas identify and solve problems relating to community drinking water, wastewater, or solid waste disposal systems. The grant recipients provide technical assistance to public bodies and private nonprofit corporations operating the systems in rural areas. The technical assistance is intended to improve the management and operation of the systems and reduce or eliminate pollution of water resources.

The TAT and SWM grant recipients can give technical assistance to nonprofit corporations and public bodies that are eligible for RUS assistance under the Water and Waste Disposal program. Public bodies include counties, cities, townships, incorporated towns and villages, boroughs, authorities, districts, other political subdivisions of a State and Native American tribes.

Nonprofit organizations applying for TAT and SWM grants must submit a pre-application, which includes an application form, narrative proposal, various other forms,

certifications, and supplemental information. The Rural Development State Offices and the RUS National Office staff will use the information collected to determine applicant eligibility, project feasibility, and the applicant's ability to meet the grant and regulatory requirements. RUS will review the information, evaluate it, and, if the applicant and project are eligible for further competition, invite the applicant to submit a formal application. Failure to collect proper information could result in improper determinations of eligibility, improper use of funds, or hindrances in making grants authorized by the TAT and SWM programs.

The applicant will submit the following information:

SF- 424, "Application for Federal Assistance." (cleared under 0348-0043)

Applicants use this form as a required cover sheet for applications submitted for TAT and SWM grants. The application is an official form required for all Federal grants and requests basic information about the applicant and the proposed project. This form is submitted as part of the pre-application and if the project is selected, as part of the formal application.

SF-424A, "Budget Information--Non-Construction Programs." (cleared under 0348-0044)

Applicants project costs and expenses for the grant project. The form also provides information on matching funds. This form is submitted as part of the pre-application and if the project is selected, as part of the formal application.

SF-424B, "Assurances--Non-construction Programs."(cleared under 0348-0040)

Applicants read and sign this form to indicate the organization's intent to comply with the laws, regulations, and policies to which a grant is subject. This form is submitted as part of the pre-application and if the project is selected, as part of the formal application.

RD 400-1, "Equal Opportunity Agreement" and RD 400-4, "Assurance Agreement."(cleared under 0575-0018)

Applicants read and sign these forms to assure RUS that they will comply with Title VI of the Civil Rights Act of 1964. Applicants read and sign this form to agree that they will comply with the Equal Opportunity Clause under Executive Order 11246 of September 24, 1965.

SF 270, "Request for Advance or Reimbursement." (cleared under 0348-0004)

Grant recipients will submit SF 270 for disbursement of grant funds. RUS uses it to approve the disbursement. The use of this form complies with OMB Circular A-110.

SF 269A (short form), "Financial Status Report." (cleared under 0348-0038)

Grant recipients must report the status of grant funds for TAT or SWM on the SF-269 or the SF-269A on a quarterly basis. The use of this form complies with OMB Circular A-110.

Narrative.

Applicants will provide a narrative of experience in providing services similar to those proposed. A brief description of successfully completed projects including the need that was identified and objectives accomplished.

Budget justification.

The budget justification demonstrates how the funds will be spent and provides details for proposed expenditures, calculations of costs, and explanations of unusual lines in the budget. It discusses how the budget supports the proposed project activities and explains how each budget item is essential to achieving project objectives. RUS uses this information to evaluate the cost effectiveness of the project and the adequacy of funding to carry out the activities of the project. The information will also be used to evaluate a grant recipient's request for payments.

Legal Authority and Responsibility.

The applicant must submit certified copies of organization documents and a certified list of directors and officers as evidence of the applicant's legal existence and authority for the proposed project. The organizational documents can be charters, bylaws, or articles of incorporation. RUS uses the information to determine if the applicant has the proper authority to enter into a binding agreement to use grant funds.

Evidence of Tax Exempt Status.

Private nonprofit organizations eligible for TAT or SWM grants must have 501(c)(3) or 501(c)(4) tax-exempt status, designated by the Internal Revenue Service. An applicant must submit evidence of its tax-exempt status. RUS uses this information to ensure that the applicant meets the eligibility criteria mandated by law.

Scope of Work.

RUS uses the information in the scope of work to measure the performance of the grant recipient and the success of the project. The scope of work describes what will happen in a project, when, and what staff will be responsible. It provides details on the activities or tasks to be accomplished, objectives, timetables for task completion, and anticipated results.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions."

USDA regulations published at 7 CFR Part 3017 implement the government-wide debarment and suspension system for USDA's nonprocurement transactions. Applicants for TAT and SWM grants are required to provide certification under these regulations. Form AD-1047 may also be used to obtain the required certification.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Transaction.

Form AD-1048 will be signed by applicant's suppliers, auditors, contractors, etc., and retained by applicant in their files.

Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - for Grantees Other Than Individuals.

USDA regulations published at 7 CFR Part 3017 implement the Drug-Free Workplace Act of 1988, which requires that grant recipients agree that they will maintain a drug-free workplace. Applicants are required to provide certification under these regulations. Form AD-1049 may also be used to obtain the required certification.

Grant Agreement.

The Grant Agreement is the official grant instrument between RUS and the TAT or SWM recipient. It outlines the terms and conditions of the grants, including each party's obligations and remedial authorities available for nonperformance.

Project Performance Report.

Grant recipients must submit a narrative progress report quarterly. The project performance report summarizes the project's progress for the quarter and includes information needed to support expenditures claimed for the quarter. The last quarterly report may serve as the final report and must be submitted within 90 days of the project end date. Those items discussed in 1775.20 (d)(1) through(5) should be addressed. RUS uses this information to monitor performance, ensure schedules are met, projected work is accomplished, and objectives are achieved.

The project performance report meets the requirements of:

- (1) 7 CFR Part 3016, the USDA Implementation of OMB Circular No. A-102, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;" and
- (2) 7 CFR Part 3019, the USDA implementation of OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations."

Audit.

Grant recipients must comply with the audit requirements of OMB Circular A-133, “Audits of State, Local Governments, and Non-Profit Organizations.” Generally, they must submit an audit report after project completion. However, the requirements for submitting an audit report under OMB Circular A-133 are based on the total amount of Federal financial assistance expended during a grant recipient’s fiscal year from all Federal Sources. Grant recipients that expend \$500,000 or more in a year in Federal awards must have a single or program-specific audit conducted for that year. Those that expend less than \$500,000 in Federal awards may be exempt from audit requirements for that year. RUS will review the information and determine if a grant recipient must submit an audit in accordance with the requirements of the Water and Waste Disposal program and OMB Circular A-133.

Financial Statements

Grant recipients that expend less than \$500,000 in a year in Federal awards may be able to submit their financial statement in lieu of an audit report after project completion. RUS will review the information and determine if a grant recipient must submit an audit in accordance with the requirements of the Water and Waste Disposal program and OMB Circular A-133.

Statement concerning assistance under the National Forest Service-Dependent Rural Communities Economic Diversification Act.

Applicants must contact the Forest Service and RUS to find out if any geographical or local areas have received grants for technical assistance to a forest-dependent rural community in a five-year period. TAT and SWM grant funds cannot be used to duplicate technical assistance provided to a forest-dependent rural community under the National Forest-Dependent Rural Communities Economic Diversification Act of 1990. Applicants must submit documentation that such duplicate assistance has not been given.

Indirect Cost Rate Agreement.

The applicant’s indirect cost rate agreement with a cognizant Federal Agency must be submitted if their proposed budget includes indirect costs.

Statement of Compliance.

To assure compliance with Title VI of the Civil Rights Act of 1964, the applicant must provide a narrative of how they plan to notify eligible entities of the availability of the service being provided.

SF-LLL, Disclosure of Lobbying Actives”.

For grants over \$100,000, applicant must certify that no Federal appropriated funds will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee

of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal amendment, or modification of any Federal contract, grant or loan.

Latest Financial Information.

The applicant's latest financial statement is used to help determine if the applicant is financially viable to complete their proposed scope of work.

Evidence of Financial Management System.

Applicant must provide evidence that a financial management system is in place or proposed. RUS uses the information to determine if the applicant will be able to adequately account for federal funds expended.

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.

RUS is committed to the e-Government Act, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible. RUS has been participating on the Presidential eGrants Initiative and the USDA eGrants Initiative. Grant applications for this program can be submitted through the Presidential eGrants storefront and forwarded to RUS for processing.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

RUS collects information from applicants only who are applying for or who are receiving TAT or SWM grants. There will be no duplication in the collection of information required. If applicants are applying for other programs where similar information is required, the Agency would make every effort to use that information which is the same.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-1), describe any methods used to minimize burden.

The information to be collected is the minimum that RUS needs to approve the grants and monitor performance. Small entities may be affected by the reporting burden, but only minimum information necessary will be required to carry out the authorized programs.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The information collected under these programs is the minimum necessary to conform to the requirements of the program regulations established by law. Much of the information is collected when applicants file for grants or when the grants are closed. Information is collected when needed or required by departmental regulations and OMB circulars. Information cannot be collected less frequently and meet the requirements of the programs. Failure to collect proper information could result in improper determinations of eligibility or improper use of funds.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- a. Requiring respondents to report information more than quarterly. There are no information requirements for reporting more than quarterly. However, the SF 270, "Request for Advance or Reimbursement," is submitted by some borrowers as much as 12 times a year in order for them to receive reimbursement in order to pay monthly business expenses, the Agency however, does not require this.
- b. Requiring written responses in less than 30 days. There are no information requirements for written responses in less than 30 days. However, grant recipients must notify RUS immediately of developments that have a significant impact on the grant-supported activities or that might materially impair the ability to meet the objectives of the grant.
- c. Requiring more than an original and two copies. There are no such requirements.
- d. Requiring respondents to retain records for more than 3 years. There are no such requirements unless any litigation, claim, or audit is started before the expiration of the 3-year period and has not been resolved and final action taken.
- e. That is not designed to produce valid and reliable results that can be generalized to the universe of study. There are no such requirements.
- f. Requiring use of statistical sampling which has not been reviewed and approved by OMB. There are no such requirements.
- g. Requiring a pledge of confidentiality. There are no such requirements.
- h. Requiring submission of proprietary trade secrets. There are no such requirements.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. Describe efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

As required by 5 CFR 1320.8(d), a Notice for comments on the proposed rule for 7 CFR 1775 was published in the Federal Register on July 14, 2006 at 71 FR 40062. No comments were received.

In July 2006, RUS contacted the following individuals outside the Agency to obtain their views on the paperwork burden imposed by this regulation:

West Virginia University National Drinking Water Clearing House (NDWC), Morgantown, West Virginia, Mary Stewart, Senior Program Administrator. Telephone: (304) 293-4191. Ms. Stewart has prepared grant applications for NDWC for several years and is comfortable with the process. She particularly likes the Water Programs Technical Assistance and Training (TAT) website which she says is very helpful in identifying the specific forms needed to complete and submit applications. One suggestion she offered was to identify the required forms by standard Request For Proposal (RFP) number, and to provide a link for electronic filing via grants.gov.

Rural Community Assistance Partnership, Inc., Washington, DC, Aaron Fischbach, Director of Applied Research and Policy Development. Telephone: (202)-408-1273. Mr. Fischbach did not cite any specific problems with the paperwork involved, and stated that the process was fairly straight forward. He finds the website quite helpful to locate the forms needed to complete the application, and considers the process to be reasonable.

National Rural Water Association, Duncan, Oklahoma, Claudette Atwood, Chief Financial Officer. Telephone: (580) 252-0629. Ms. Atwood described the grant application and reporting process as simple and straight forward. She stated that the website made it easy to understand and follow the instructions for completing and submitting applications. The only complication she noted was the need to adjust the responses to some of the forms to fit the non-profit status of their organization.

ReUse Industries, Albany, OH, Cathy Wilson, Projects Director. Telephone: (740-698-8200). Ms. Wilson reported no problems with the application process. She described the process as clear and straight forward, and could easily find the forms needed to complete the application on line. She particularly likes the fillable .PDF forms which simplifies the process of completing the necessary forms.

9. Explain any decision to provide any payment or gift to respondents, other than re-enumeration of contractors or grantees.

RUS has not made any such decisions or payments.

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

No assurance of confidentiality is provided. Under the Freedom of Information Act, the public can request most data collected from respondents. The information collected under the provisions of these programs is not considered to be confidential.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

The information collected does not contain any questions of a sensitive nature that would be considered private.

12. Provide estimates of the hour burden for the collection of information.

See the attached spreadsheet. The collection is summarized as follows:

Regulation	Number of Respondents	Total Annual Responses	Total Man-Hours	Wage Class	Total Costs
7 CFR 1775	118	1,580	5,860	27.50	\$161,150

RUS estimates a cost of \$161,150 for respondents to comply with this regulation. The cost is based on 118 organizations filing a pre-application and 50 of them receiving a grant. RUS used a labor rate of \$27.50 per hour based on information from similar programs. Primary individuals for a grant respondent would normally be a director earning \$25.00 to \$30.00 per hour.

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

(a) Total capital and start-up cost component (annualized over its expected useful life); and

There are no capital and start-up cost components involved with this collection.

(b) Total operation, maintenance and purchase of services component.

There are no costs associated with this category.

14. Provide estimates of annualized cost to the Federal Government.

The cost to the Federal Government is estimated as follows:

Pre-application phase analysis – 10 hours X 118 pre-applications X \$42.00	= 49,560
Application phase analysis – 10 hours X 50 applications X \$42.00	= 21,000
First Administrative phase – 5 hours X 50 applications X \$42.00	= 10,500
Second Administrative phase – 3 hours X 50 applications X \$42.00	= 6,300
Servicing per quarter – 4 quarters X 4 hours X 50 borrowers X \$42.00	= 33,600
End of grant period – 5 hours X 50 borrowers X \$42.00	= 10,500
Closeout – 2 hours X 50 borrowers X \$42.00	= 4,200

Total estimated cost to the Federal Government is: \$135,660

The salary of \$42.00 per hour is based on a loan analyst (GS 13,step 5).

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-I.

This is a revision to the currently approved collection. Since the last submission there is an adjustment increase of 305 burden hours. The increase reflects a change in the number of applicants and recipients of grants, based on the current level of interest in the program and availability of funds.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

RUS has no plans to publish the information collected under the provisions of these programs.

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.

N/A. There are no forms cleared under this collection.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-1.

There are no exceptions requested.

B. Collection of Information Employing Statistical Methods.

This collection does not employ statistical methods.