

Supporting Statement
Data Collection Form for Application for Federal Assistance
SF-424 Short Organizational and SF-424 Supplemental Forms

This request is for the revision of an approved data collection (OMB No. 4040-0003), the Application for Federal Assistance SF-424 Short Organizational Form. We are requesting a one-year clearance of this form. This form is utilized by 26 Federal grant making agencies and is used to post grant application packages. The current extension of the form expires on April 30, 2007 (January 26, 2007 Volume 72, Number 17, page 3849-3850).

The form will include one change to one field – the Social Security Number (SSN). The SSN field will remain optional. The SSN field will be changed to pre-populate the first five digits with “000-00-” The applicant will only enter the last four digits of the SSN. This change ensures the entire SSN will not be collected or stored. This change will not increase the collection burden to the applicant.

A. Justification

1. Need and Legal Basis

On an annual basis, the Federal government commits nearly twenty percent of the Federal budget, or approximately \$400 billion, to State and Local governments, Tribal organizations, education and research institutions, non-profit organizations, public housing authorities, commercial organizations and individuals through the award of Federal grants. There are 26 Federal grant-making agencies and other Federal grant-making organizations with over 900 grant programs. More than half of these Federal agencies and grant-making organizations have Discretionary grant programs authorized by legislation covering a broad range of diverse subject matter. To obtain Federal grants funds, applicant organizations must apply to the Federal agency or organization responsible for administering the grant program.

The Federal Grant and Cooperative Agreement Act of 1977 (31 USC 6301-6308) gives agencies the authority to select the appropriate award instrument within the limits of their program legislation to support or stimulate recipient activity. Public Law (PL) 106-107, the Federal Financial Assistance Management Improvement Act of 1999, was enacted to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public. The issuance of the President’s Management Agenda in 2002 called for “agencies to allow applicants for Federal grants to apply for, and ultimately manage, grant funds online through a common web site, simplifying grants management and eliminating redundancies...”

The proposed information collection, SF-424 Short Organizational (SF-424 (Short)) and supplemental forms, assist agencies in implementing the Office of Management and Budget (OMB) direction to use the Grants.gov Apply

mechanism (<http://www.whitehouse.gov/omb/memoranda/fy04/m04-05.html>). In its memorandum to agencies, OMB established Grants.gov as the Federal government's single, online portal for any person, business, or State, Local and Tribal government to find and apply for Federal grants, regardless of type.

2. Information Users

The SF-424 (Short) provides the Federal grant-making agencies a simplified alternative to the Standard Form 424 data set and form. Agencies may use the SF-424 (Short) for grant programs not required to collect all the data that is required on the SF-424 core data set and form.

In addition, this information collection request includes two SF-424 supplemental forms, the Key Contacts form and the Project Abstract form. The Key Contacts form is an optional form that the agencies may include in the application package to collect additional key contact or point of contact information. The Project Abstract form is also an optional form that provides the mechanism for the applicant to attach a file that contains an abstract of the project, in a format specified by the agency.

Federal agencies will not be required to use the forms or to collect all of the information included on the proposed forms. The agency will identify the forms and the form sections that must be completed by applicants through instructions that will accompany the forms. Agencies will implement processes for reviewing the applications and awarding grant funds. These processes are reflected in agencies' policies and procedures documents. Agencies will also maintain and store application forms and data in accordance with their policies and practices.

3. Improved Information Technology

The Grants.gov Apply mechanism (<http://www.grants.gov/Apply>), which was deployed in October 2003, allows applicants to electronically apply for Federal grants. In its January 7, 2004 memorandum, OMB directed grant-making agencies to use the Grants.gov Apply mechanism (<http://www.whitehouse.gov/omb/memoranda/fy04/m04-05.html>). Information on the SF-424 (Short) and supplemental forms will be entered into fillable forms and submitted electronically through the Grants.gov portal. Applicants can complete application documents that they download from Grants.gov and submit them based on agency policies and instructions. Agency policies and instructions include detailed submission guidance such as due dates, eligibility, information requirements, supporting documentation, etc. Upon receipt of the application, Grants.gov will send an electronic acknowledgement to the applicant that the submission was received with the date and time of receipt. In addition, Grants.gov will deliver the application to the agency.

4. Duplication of Similar Information

Development of the SF-424 (Short) and SF-424 supplemental forms and data sets is an effort to reduce duplication of similar or identical forms and data sets across Federal agencies. This information collection also implements streamlining and

simplification provisions of PL 106-107 and provides support for the President's Management Agenda to allow applicants for Federal grants to apply for grant funds online. A cross-agency work group developed the proposed SF-424 (Short) and supplemental forms and data sets that will serve as a common application cover page for the grant programs.

5. Small Businesses

Applicants can use the SF-424 (Short) form and data set to apply for grants as an alternative to the SF-424 core form and rather than using each agency's grant application cover page. The applicant's burden is lessened through a reduction in labor costs associated with preparing Federal grant applications and electronic submission of applications will eliminate postage and copying costs.

6. Less Frequent Collection

The SF-424 (Short) cover page will replace comparable information currently collected in various application forms and data sets by agencies' grant programs. If the SF-424 (Short) is not used, a variety of existing forms and data will remain in use. It is intended that the agencies continue to look for additional opportunities for data standardization in these programs. Additionally, a significant PL 106-107 grants streamlining and simplification opportunity will be missed and progress towards fully achieving the President's Management Agenda to allow applicants for Federal grants to apply for grant funds online would be impeded if the SF-424 (Short) were not used.

7. Special Circumstances

The proposed collection of information will be conducted in a manner that complies with relevant legislation authorizing Federal grants programs, OMB policies related to the administration of Federal grants (OMB Circulars A-102, A-110, A-21, A-122, and A-87), and guidelines of 5 CFR 1320.5(d)(2).

8. Federal Register Notice/Outside Consultation

On March 24, 2005, the Grants.gov Program Management Office, one of the 26 E-Government initiatives, managed by HHS, published the proposed the SF-424 (Short) and supplemental collection for public comment in the *Federal Register* (January 26, 2007 Volume 72, Number 17, page 3849-3850). Interested individuals were invited to send comments regarding any aspect of this collection of information. No public comments were received.

Comments sent to OMB from the public, questioned the need to collect the Social Security Number (SSN) for the Project Director and/or the Primary Contact/Grants Administrator. Grants.gov responded to this comment by revising the application cover page to indicate that SSN is optional and adding the following statement, "Disclosure of SSN is voluntary. Please see the application package instructions for the agency's authority and routine uses of the data". In addition, OMB has also requested that Grants.gov, in consultation with other agencies, investigate options

for a unique identifier other than SSN. Grants.gov plans to address this condition through its newly formed Agency User Group.

Pending a decision on a unique identifier, the form will include one change to one field – the Social Security Number (SSN). The SSN field will remain optional. The SSN field will be changed to pre-populate the first five digits with “000-00-” The applicant will only enter the last four digits of the SSN. This change ensures the entire SSN will not be collected or stored. This change will not increase the collection burden to the applicant.

9. Payment/Gift to Respondents

Not applicable since there is no payment to respondents, other than remuneration of grantees.

10. Confidentiality

The grant-making agencies will maintain the authoritative copy of all application materials and data. Confidentiality of information will be consistent with OMB policies related to the administration of Federal grants as well as agency policies and practices for access to electronic and paper records. If application forms are submitted through the Grants.gov Apply mechanism, Grants.gov will maintain only transmission records pertaining to the files. Grants.gov will not maintain application materials and data.

The change to this form enhances confidentiality. The Social Security Number field will remain optional. The SSN field will be changed to pre-populate the first five digits with “000-00-” The applicant will only enter the last four digits of the SSN. This change ensures the entire SSN will not be collected or stored.

11. Sensitive Questions

Not applicable since there are no sensitive questions.

12. Burden Estimate

Section A. Estimated Annualized Burden Hours to Respondents

By aggregating agency’s estimates documented in their Paperwork Reduction Act Change Worksheets (OMB 83-C), an estimate of the total burden of the information collection was developed. All agencies with grant programs that award grants to organizations are eligible to use this form. Information gathered from the United States Department of the Interior (DOI), Agency for International Development (USAID), Institute Of Museum and Library Services (IMLS), National Archives and Records Administration (NARA), National Endowment for the Arts, and the National Endowment for the Humanities generated an estimate of the total burden. Collectively, these agencies receive 8,572 applications annually and estimate that it takes applicants 25 minutes on average to complete each application. Cumulatively, these organizations report the total burden to applicants to be 3,661 hours.

SF-424 Short Organizational Form Estimated Annualized Burden to Respondents

Agency	Number of Respondents	Number of Responses per Respondent	Total Responses	Average Burden per Response in Hours	Total Burden Hours
DOI	148	3	444	25/60	190
IMLS	1630	1	1630	25/60	696
NEA	3940	1	3940	25/60	1683
NARA NHPRC	130	1	130	25/60	55
NEH	2328	1	2328	25/60	994
USAID	100	1	100	25/60	43
TOTAL	8276		8572		3661

The assignment of 25 minutes of burden per response was calculated as follows:
 3661 total hrs. x 60 minutes = 219,660 total minutes.
 219,660 / 8572 total responses = 25.62 minutes per response. 25.62 minutes was rounded to 25 minutes for use in the table.

Section B. Burden Cost

SF-424 Short Organizational Form Estimated Annualized Cost to Respondents

Agency	Type of Respondent	Total Burden Hours	Hourly Wage Rate	Total Respondent Costs
DOI	Grant Writer	190	\$30	5,700
IMLS	Grant Writer	696	\$30	20,880
NEA	Grant Writer	1683	\$30	50,490
NARA NHPRC	Grant Writer	55	\$30	1,650
NEH	Grant Writer	994	\$30	29,820
USAID	Grant Writer	43	\$30	1,290
TOTAL		3661		\$109,830

13. Capital Costs

There is no projected incremental increase in the cost burden to respondents and record keepers associated with the use of the SF-424 (Short). It should be noted that many applicant organizations are preparing their systems to respond to OMB's guidance to Federal grant-making agencies to use Grants.gov's Apply mechanism, which encourages the electronic submission of grants applications.

The start up and capital costs associated with that activity can be leveraged with use of the SF-424 (Short). Applicant organizations may also identify other opportunities to reduce their costs by leveraging application materials and systems resources for multiple grant application submissions.

14. Cost to the Federal Government

The primary sources of costs to the Federal government are related to staff hours associated with reviewing grant applications and the costs of receiving and maintaining records and systems. Each agency currently has existing personnel, systems and processes (or other resources) in place to receive and review their agency-specific grant applications. Any additional cost for agency system development, maintenance and enhancements should not be attributed to use of the SF-424 (Short), and therefore its use is not expected to alter annualized Federal costs.

Agency personnel time to review the form is estimated at five minutes per form. Based on 8,572 responses per year ($8,572 \times 5 \text{ minutes} = 42,860 \text{ minutes}$; $42,860/60 \text{ minutes} = 714 \text{ hours}$ estimated personnel time).

Grants administrative personnel generally are in the GS-7 through GS-13 range. Based on a step one average of these grades, an average hourly salary is \$27.36 per hour. ($27.36/60 \text{ minutes} = .456 \text{ per minute}$ and $.456 \times 5 \text{ minutes} = \2.28 per application).

Therefore, $8,572 \text{ annual applications} \times \$2.28 = \$19,544$ of estimated annual cost to the federal government to review the form.

15. Program or Burden Changes

This is a revision of a currently approved collection. Based on agency's estimates documented in their Paperwork Reduction Act Change Worksheets (OMB 83-C), an adjustment of 29,682 less hours has been calculated.

16. Publication and Tabulation Dates

Not applicable since there are no publication plans.

17. Expiration Date

Not applicable since the OMB number will be included on the data collection form.

18. Certification Statement

Not applicable since there are no exceptions to the certification.

B. Collections of Information Employing Statistical Methods

No statistical methods are employed in this information collection.