

**Supporting Statement**  
**Data Collection Form for Application for Federal Assistance**  
**SF- 424 Individual**

This request is for the revision of an approved data collection (OMB No. 4040-0005), the Application for Federal Assistance SF-424 Individual 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 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 Individual (SF-424 (I)) assists agencies that award grant programs to individuals to implement 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 (I) will consolidate grant application and related data and forms currently used by Federal grant-making agencies that award grants to individuals. The SF-424 (I) will become the common Federal (standard) form for grant applications for individuals replacing numerous agency-specific forms. The effect will be to reduce the administrative burden to the Federal grants community, which includes applicants/grantees and Federal staff involved in grants-related activities. This information collection, the SF- 424 (I) cover page, requests objective information that is formatted in a consistent manner using common definitions. Agencies can use that data to populate their systems and databases. Federal agencies will not be required to collect all of the information included on the proposed form. The agency will identify the 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 (I) 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 (I) form and data set 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 (I) form and data set that will serve as a common application cover page for mandatory grant programs.

## **5. Small Businesses**

Only individuals that are eligible for the grant programs will use the new form/data set. Applicants can use this form and data set to apply for grants in any of the Federal grant-making agencies that award grants to individuals, 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 (I) cover page will replace comparable information currently collected in various application forms and data sets by agencies' grant programs. If the SF-424 (I) 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 (I) 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**

The Grants.gov Program Management Office, one of the 26 E-Government initiatives, managed by HHS, 60 day notice published in the *Federal Register* on January 26, 2007 Volume 72, Number 17, page 3850. Interested individuals were invited to send comments regarding any aspect of this collection of information. No public comments were received.

#### **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 individuals are eligible to use this form. Information gathered from the Department of Commerce (DOC), Department of the Interior (DOI), Agency for International Development (USAID), National Endowment for the Arts, and the National Endowment for the Humanities generated an estimate of the total burden. Collectively, these agencies receive 6,949 applications from individuals 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 2,844 hours. See Attachment 1 for SF-424 (I) Hour Burden Calculation Detail.

**SF-424 Individual Form Estimated Annualized Burden to Respondents**

<b>Agency</b>	<b>Number of Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Total Responses</b>	<b>Average Burden per Response in Hours</b>	<b>Total Burden Hours</b>
DOI	110	2	220	25/60	90
DOC	239	1	239	25/60	98
NEA	1885	1	1885	25/60	773
NEH	2593	1	2593	25/60	1063
USAID	1000	2	2000	25/60	820
<b>TOTAL</b>	<b>5827</b>		<b>6949</b>		<b>2844</b>

The assignment of 25 minutes of burden per response was calculated as follows:  
 2844 total hrs. x 60 minutes = 170,640 total minutes.  
 170,640 / 6949 total responses = 24.55 minutes per response. 24.55 minutes was rounded to 25 minutes for use in the table.

## Section B. Burden Cost

### SF-424 Individual Form Estimated Annualized Cost to Respondents

Agency	Type of Respondent	Total Burden Hours	Hourly Wage Rate	Total Respondent Costs
DOI	Grant Writer	90	\$30	2,700
DOC	Grant Writer	98	\$30	2,940
NEA	Grant Writer	773	\$30	23,190
NEH	Grant Writer	1063	\$30	31,890
USAID	Grant Writer	820	\$30	24,600
<b>TOTAL</b>		<b>2844</b>		<b>\$85,320</b>

#### 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 (I). 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 the Grants.gov 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 (I). 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 6,949 responses per year ( $6,949 \times 5 \text{ minutes} = 34,745 \text{ minutes}$ ;  $34,745/60 \text{ minutes} = 579 \text{ hours}$  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  $.456 \times 5 \text{ minutes} = \$2.28 \text{ per application}$ ).

Therefore, 6,949 annual applications x \$2.28 = \$15,843 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 the agency's estimates documented in their Paperwork Reduction Act Change Worksheets (OMB 83-C), an adjustment of 30,471 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.