

## SUPPORTING STATEMENT

Notice of Funds Availability (NOFA) Inviting Applications for the Rural Community Development Initiative (RCDI)

### A. Justification

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

Congress created the Rural Community Development Initiative (RCDI) in Fiscal Year 2000 with an appropriation of \$6 million under the Rural Community Advancement Program. The Community Facilities Division under the Rural Housing Service (RHS) administers this grant program. These grants are made to qualified intermediary organizations that will provide financial and technical assistance to recipients to increase their capacity and ability in the areas of housing, community facilities, and community and economic development in rural areas. Intermediaries may be private or public (including tribal) organizations. The intermediary will be required to provide matching funds in an amount equal to the RCDI grant. Eligible recipients are nonprofit organizations, low-income rural communities, or Federally recognized tribes.

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.

The information will be collected from applicants, grantees, and recipients by RHS staff in the National Office and Rural Development field offices. This information is used to determine applicant and recipient eligibility, project feasibility, and to ensure that grantees operate on a sound basis and use grant funds for authorized purposes.

### **Reporting Requirements - Non Forms**

#### **Rural Community Development Initiative Grant Agreement**

The grant agreement is executed by the Agency and the grantee at the grant closing. This document outlines the responsibilities of the grantor and the grantee.

#### **Modification of Application for Reduced Grant Amount**

If an applicant is awarded a grant that is less than the amount requested, they will be required to modify their application to conform to the reduced amount.

#### **Certification of Non-Lobbying Activities**

This document certifies that the applicant has not been involved in lobbying activities in connection with any Federal contracts, grants and loans. It also requires the applicant to complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" if such activity has taken place.

### **Application**

The written portion of the application consists of the following components.

1. A summary page listing the applicant's name, address, telephone and fax numbers, contact person, county and congressional district where applicant is located, amount of grant request, applicant's tax identification number, number of recipients, and source and amount of matching funds.
2. A detailed Table of Contents containing page numbers for each component of the application.
3. A project overview, no longer than five pages, which should include:
  - a. The type of financial and technical assistance to be provided and how it will be implemented.
  - b. How the capacity and ability of the recipients will be improved.
  - c. The overall goal to be accomplished.
  - d. The benchmarks to be used to measure the success of the program.
4. Organizational or other documents for the intermediary that confirm their existence for a minimum of 3 years as the applicant entity.
5. Verification of matching funds, i.e., a copy of a bank statement if matching funds are in cash or a copy of the confirmed funding commitment from the funding source.
6. The following information for each recipient:
  - a. Recipient's entity name,
  - b. Complete address (mailing and physical location, if different),
  - c. County where located,
  - d. Number of congressional district where recipient is located,
  - e. Contact person's name and telephone number, and
  - f. Documentation on the population composition of the service area of the recipient.

7. Submit evidence the recipient entity is eligible.
  - a. Nonprofits – provide a valid letter from the IRS, confirming certificate from the Secretary of State, or other valid documentation of nonprofit status.
  - b. Low-income community – provide a copy of the 2000 census data to verify the population and evidence that the median household income is at, or below, 80 percent of either the State or national median household income.
  - c. Federally recognized tribes – provide a copy of the page listing the Tribe’s name from the current Federal Register list of tribal entities published by the Bureau of Indian Affairs on November 25, 2005, volume 70, number 226, page 71194.
8. Address each of the “Evaluation Criteria” in narrative form. The “Evaluation Criteria” are: Building Capacity, Expertise, Population, Income, Innovative Approach, Soundness of Approach, State Director’s Points, and Proportional Distribution Points.
9. A timeline identifying specific activities and proposed dates for completion.
10. A detailed project budget that includes the RCDI grant amount and matching funds for the duration of the grant.

**Association or Relationship with Rural Development Employee**

The applicant has to identify any known relationship or association with a Rural Development employee, members of their families, known close relatives, or business associates.

**Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions" or other written documentation**

This form certifies that the applicant is not presently debarred, suspended, or voluntarily excluded from covered transactions by any Federal department or agency.

**Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions" or other written documentation**

This form certifies that lower tier participants are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any Federal department or agency.

**Project Performance Report**

Grantees will be required to submit a project performance report, in narrative form, on a quarterly basis. The report will describe the activities that were funded during that quarter.

### **Financial Reporting**

A financial report will be submitted on a quarterly basis to indicate how grant and matching funds were used.

### **Financial Management System**

The grantee will develop and maintain a financial management system. The system must enable the grantee to track fund usage, retain financial records, and supporting documents.

### **Fidelity or Employee Dishonesty Bond**

These forms of insurance are normal in any organization and RHS requires this coverage be available when the grant closes.

### **Audits**

An A-133 audit report is required if \$500,000 or more of Federal funds are expended in a one-year period. If Federal funds expended during a one-year period are less than \$500,000 and there is an outstanding loan balance of \$500,000 or more, an audit in accordance with generally accepted government auditing standards (GAGAS) would be required.

### **Data Collection by Race, Sex, and National Origin**

The grantee must collect and maintain data on recipients by race, sex, and national origin. The grantee must ensure that their recipients also collect and maintain data on beneficiaries by race, sex, and national origin. This data is required by Title VI of the Civil Rights Act of 1964 and must be provided to RHS for compliance review purposes. This form is completed by both the intermediary and the recipients.

### **Final Project Performance Report**

This will be the last project performance report and must address the following items in addition to the previously stated requirements for the project performance report. These items are: (a) identify the most challenging or unexpected aspects of the program; (b) the strengths and limitations of the program and any advice that would be helpful to other organizations; and (c) identify any post-grant plans for the project and how they will be financed.

### **Reporting Requirements – Forms Approved Under Other OMB Numbers**

#### **Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals"**

This form identifies the items that the grantee must certify to in order to carry out a drug-free workplace. The estimated number of respondents is 110 and the average response time is estimated to be 23 minutes. This form was approved under OMB No. 9000-0101.

#### **Standard Form 424, "Application for Federal Assistance"**

This form is used by applicants as a required facesheet for applications submitted for Federal assistance. The estimated number of respondents is 110 and the average response time is estimated to be 45 minutes. This form was approved under OMB No. 0348-0043.

**Standard Form 424-B, "Assurances - Non-Construction Programs"**

This form certifies that the applicant will comply with Federal Executive Orders and statutes. The estimated number of respondents is 110 and the total man-hours are 15. This form was approved under OMB No. 0348-0040.

**Standard Form LLL, " Disclosure of Lobbying Activities"**

All applicants are required to complete this form, regardless of their involvement in lobbying activities. The estimated number of respondents is 110 and the average response time is estimated to be 10 minutes. This form was approved under OMB No. 0348-0046.

**Form RD 400-1, Equal Opportunity Agreement"**

All applicants and recipients are required to complete this form to comply with Equal Opportunity requirements. The estimated number of respondents is 990 and the average response time is estimated to be 10 minutes. This form was approved under OMB No. 0575-0018.

**Form RD 400-4, "Assurance Agreement"**

All applicants and recipients are required to complete this form to comply with Civil Rights Acts and laws. The estimated number of respondents is 990 and the average response time is estimated to be 15 minutes. This form was approved under OMB No. 0575-0018.

**Form RD 442-2, "Statement of Budget, Income, and Equity"**

This form serves as a budget and an income and expense statement. If Federal funds expended during a one-year period are less than \$500,00 and there is an outstanding loan balance of less than \$500,000 the grantee is required to submit a management report. This form is part of the management report. The estimated number of respondents is 18 and the average response time is estimated to be 90 minutes. This form was approved under OMB No. 0575-0015.

**Form RD 442-3, "Balance Sheet"**

This form is used by grantees present their assets, liabilities, and net worth. If Federal funds expended during a one-year period are less than \$500,000 and there is an outstanding loan balance of less than \$500,000 the grantee is required to submit a management report. This form is part of the management report. The estimated number of respondents is 18 and the average response time is estimated to be 60 minutes. This form was approved under OMB No. 0575-0015.

**Standard Form 270, "Request for Advance or Reimbursement"**

This form is used by the grantee to request advances or reimbursement of cash outlays. The estimated number of responses is 420 and the average response time is estimated to be 60 minutes. This form was approved under OMB No. 0348-0004.

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.

Applications may be filed electronically through the Grants.Gov website. The information required is specific to each applicant/grantee. The information needed to file the application and relevant documentation requires research and preparation of a unique grant proposal; therefore, automation would not reduce or eliminate the burden significantly. Every effort has been made to use information the borrower would already have on hand and to maximize the use of available information technology. The applicant has the option of filing the application electronically or by conventional methods.

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.

The information collected for this initiative will be specific and unique for each intermediary based on the program of technical assistance they provide to their recipients. There will be no similar or existing information that could be submitted; therefore, there will be no duplication.

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 collection required for this initiative places no burden on small entities beyond that performed in normal business practice.

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 for this initiative is the minimum needed by RHS to determine eligibility and to monitor grantee performance. Failure to collect this information could result in improper use of Federal 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 collection requirements for reporting on more than a quarterly basis.

- b. Requiring written responses in less than 30 days.

There are no specific information collections requiring a response in less than 30 days.

- c. Requiring more than an original and two copies.

There are no specific information collection requirements for submitting more than an original and two copies.

- d. Requiring respondents to retain records for more than 3 years.

Grantees are not required to retain records for more than 3 years except in cases where there are unresolved audit findings.

- e. Not utilizing statistical sampling.

There are no such requirements.

- f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.

No such requirements exist.

- 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.

The Agency published a notice in the Federal Register (72 FR No. 69, April 11, 2007), soliciting comments from the public. No comments were received. A copy of the notice is attached.

Rural Development program staff in field offices work directly with grantees. The National Office of Rural Development has contacts with field staff who advise that they have not received negative comments from grantees regarding recordkeeping and data collection. The National Office staff works directly with national grantees and those grantees are not dissatisfied with the information that needs to be collected and reported for the grant application and disbursement processes.

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

There is no payment or gift to respondents.

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

There is no assurance of confidentiality provided to respondents for the information required.

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 such as sexual behavior, religious beliefs, or other matters commonly considered private.

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

The burden for collecting information, under this notice of funds availability, is based on an estimated 2,515 total annual responses and 3,408 estimated total man hours. Please see the attached spreadsheet for a complete breakdown of the hour burden and cost of the required collection information. This estimate was based on information in existing reports, and the experience of RHS employees gained from operating this program for 6 years.

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

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

There are no start-up costs involved.

b. Total operation and maintenance and purchase of services component.

Purchase of services component is not required. The estimated total annual cost of the burden is \$124,786. The wage class used for intermediaries was \$43 per hour and for



recipients the wage class was \$20 per hour, which reflects the average wage for the individuals involved with this program.

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

The annual cost, which includes benefits, travel, communication, supplies, etc., for RHS to develop and administer this initiative is \$182,718. These costs are based on; a GS-13 program director in each state spending one-half percent of their time, a GS-12 loan specialist in each state spending four percent of their time on this initiative; two GS-13 loan specialist in the National Office spending 15 percent of their time; a National Office Division Director spending two percent of their time; and a selection panel comprised of four program directors at a GS-13 salary for one percent of their time. Travel expense for the review team is estimated to be \$10,380 included in the above figure. Below is a breakdown of the employee positions and grade levels that will administer this initiative. Salaries are based on a Step 3 for each grade level as of January 1, 2007.

	<b>No. Of People</b>	<b>Grade and Salary</b>	<b>Time</b>	<b>Cost</b>
<b>National Office</b>				
Loan Specialist	2	13/ \$ 84,691	.15	\$24,133
Division Director	1	15/ \$117,721	.02	\$ 2,236
<b>State Office</b>				
Loan Specialist	48	12/ \$ 71,219	.04	\$129,860
Program Director	48	13/ \$ 84,691	.005	\$ 16,088

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-1.

There is an increase of 1,382 burden hours from the paperwork burden package submitted in December 2003. This is a result of an increase in the number of recipients required to collect and maintain data on race, sex, and national origin of beneficiaries served by recipients. The annualized cost to the federal government reflects updated salary cost and a shifting of responsibility for program delivery to the Rural Development state office.

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

RHS has no plans to publish the information collected under the provisions of this initiative.

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.

The Rural Community Development Initiative does not utilize any program specific form; however, it does utilize some forms approved in conjunction with other OMB Dockets. The information collected specific to this docket is prepared by intermediaries to document their grant proposal and to obtain reimbursement for cost expended in carrying out their program of technical assistance to develop the capacity of recipients to undertake projects related to housing, community facilities, or community and economic development. There is no statutory authority to conduct this program. Funds have been appropriated each fiscal year since FY 2000 to administer this program.

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

There are no exceptions requested.

19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one stop shopping concept?

This information is not related to and will have no impact on the Service Center Initiative.