

SUPPORTING STATEMENT

0570-0024

7 CFR Part 4284-G, RURAL BUSINESS OPPORTUNITY GRANTS

A. Justification

Rural Business-Cooperative Service (RBS) is requesting an extension of Office of Management and Budget clearance of the reporting and record keeping requirements associated with 7 CFR 4284-G.

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

The Rural Business Opportunity Grant (RBOG) program was authorized by section 741 of the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104-127.

The Act provides for the Secretary of Agriculture to make grants to public bodies, nonprofit community development entities and other agencies the secretary may select, to enable the recipients to carry on activities such as identifying and analyzing business opportunities, establishing business support centers, and providing training, technical assistance, and planning, all related to rural economic development and assistance for rural businesses.

This regulation provides the policies and procedures, including application and reporting requirements for grant recipients.

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 requirements contained within the regulations are requested from grant applicants and grant recipients. The information is vital for RBS to make prudent decisions regarding eligibility of applicants and selection priority among competing applicants, to ensure compliance with applicable laws and regulations, and to evaluate the program.

RBS has reviewed the program needs versus the burden placed on the public and is of the opinion that the program is necessary and will be beneficial to all parties involved.

RBS, through its respective Specialty Lenders Division (SLD) in Washington, D.C. and its staff located in 49 State Offices throughout the United States, will be the primary user of the information collected. Under the Freedom of Information Act, the general public can request the majority of the data requested of the grantees by RBS except data that is confidential. RBS will release only limited data during the processing of an application up to the period of time the grant is closed. Based on general Agency experience and projected funding levels, it is estimated that an average of approximately 248 entities per year will apply for an RBOG grant and 50 entities will be approved.

Specifically, the burden associated with 7 CFR 4284-G to be cleared with this docket is as follows:

REPORTING REQUIREMENTS - NO FORMS

Organizational documents

Copies of organizational documents, such as Articles of incorporation, Bylaws, and certificates of good standing, are part of the grant application. They are needed so RBS can be sure the applicant is a legal entity with authority to make commitments and perform the activities called for under the proposed grant. They also indicate who is officially in control of the applicant organization.

Scope of work

This part of the application is needed to document what the grant funds are to be used for and what is to be accomplished. This is important for evaluating the application and also for monitoring to ensure that funds are used for the purpose for which they were intended.

Narrative

This provides additional information, beyond what is provided in the scope of work, as to the need for the project, the service area, the applicant's ability to accomplish the planned activities, who will be assisted, what impact is expected, and how the work will be performed. The information is needed to properly evaluate each application and select the most deserving applications for funding.

Financial statement

This part of the application helps RBS to ensure that an applicant has the financial stability to remain in operation and supplement the grant funds as necessary to accomplish the grant purposes.

Evaluation method

It is an eligibility requirement that applicants include a basis for determining the success or failure of the project in their proposal. This requirement ensures that some method exists for evaluating the success or failure of each grant and that the applicants will have input in determining how they will be evaluated.

Intergovernmental Review comments

These comments, obtained by the applicant through contact with the State Single Point of Contact, are required to comply with Executive Order 12372 and to ensure that the proposed activity is not in conflict with strategic plans of State and local governments.

Project Performance Report

This report is needed to help the Agency ensure that projects in process are progressing satisfactorily and that completed projects have, in fact been completed and paid for in full. If cost overruns, deviations from the approved scope, or other problems do develop, this will help ensure that the Agency is made aware in time to help find a solution.

Project Evaluation

This information is needed to assist the Agency in determining the impact of the grant and of the program.

Project Description

This information is needed for selected projects in order that the information gained from the project can be shared with other communities, and thereby increases the overall effectiveness of the program.

Audit

Audits are required to help monitor grantee activities and financial condition and ensure the grant funds were used as planned, as well as to comply with OMB circular A-133 and USDA regulations located at 7 CFR part 3015 and 7 CFR part 3052.

Request for Change

This provision allows grantees to change approved projects, with Agency review and approval of the changes, when the change is needed and still within program guidelines.

Request for Exception

This provision permits grantees to request and obtain, in limited circumstances, exceptions to provisions of this subpart.

Letter of Intent to Meet Conditions (Form RD 1942-46)

The grantee's signature is needed on this form to document that the grantee has received the Letter of Conditions from the Agency and agrees to its terms and conditions. This form is approved under OMB control number 0575-0015, but the burden hours are being accounted for in this package.

REPORTING REQUIREMENTS APPROVED UNDER OTHER NUMBERS

Application for Federal Assistance (SF-424)

This form provides general information and signature documenting application.

Request for Advance or Reimbursement (SF-270)

This form is needed to document the grantee's request to draw grant funds.

Financial Status Report (SF-269)

This form is needed to provide a periodic summary of project costs incurred.

RECORDKEEPING REQUIREMENTS

Financial Management systems

It is necessary for the grantee to keep complete and accurate accounting records as evidence that the grant funds were used properly.

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.

The new EGov initiative has made it possible for applicants to apply online. The SF-424 is found on the <http://www.grants.gov>, and SF 270 and SF 269 can be found at <http://www.gsa.gov>. The narrative that is required from the applicant can be done in a word document and attached to Form SF-424. Each applicant is required to obtain a DUNS number when applying for a grant. Until technology is improved and applicants receive accessibility to the Internet, it is anticipated most applications will be submitted by paper to the appropriate processing field office. We anticipate about 31 percent of the applicants applying online.

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.

RBS tries to use existing material whenever possible. The forms required in connection with this program are all Standard Forms, also used by other agencies and for other programs. Where Standard Forms do not exist, respondents are asked to provide the information in written form. Therefore, respondents can submit documents they already have or prepare new material in the format most convenient to them.

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 is to be collected from nonprofit entities and public organizations; therefore, there will be little probability that small businesses will provide information as the result of this program.

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 this program is considered the minimum necessary to allow prudent program decisions, ensure that the intent of the statute is achieved, and comply with requirements already established by law or Executive Order, such intergovernmental consultation and OMB circulars A-102, A-110, and A-133.

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 that require specific reporting on more than a quarterly basis.
- b. Requiring written responses in less than 30 days. There are no specific information collection requirements that require less than 30 days response. However, in many cases it is to the applicant's or borrower's benefit to provide RBS with information as soon as possible because RBS cannot provide requested program benefits until supporting documentation is received.
- c. Requiring more than an original and two copies. There are no specific information collection requirements that require more than an original and two copies.
- d. Requiring respondents to retain records for more than 3 years. There are no requirements for respondents to retain records for more than 3 years, except when there are unresolved audit findings.
- e. Not utilizing statistical sampling. There are no requirements in connection with a statistical survey.
- f. Requiring use of statistical sampling which has not been reviewed and approved by OMB. There are no requirements for the use of a statistical data classification that has not been reviewed and approved by OMB.
- g. Requiring a pledge of confidentiality. There is no information collection requirement that includes a pledge of confidentiality not supported by statute or regulation, not supported by consistent disclosure and data security policies, or which unnecessarily impedes sharing of data with other agencies.

h. Requiring submission of proprietary trade secrets. There is no requirement for submission of proprietary trade secrets or other confidential information.

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.

A Federal Register Notice was published on May 7, 2007, [72 FR 25737]. No comments were received.

We have consulted with the following individuals regarding this information collection:

Lori Capouch
Rural Development Director
North Dakota Association of Rural Electric Cooperatives
3201 Nygren Drive
Mandan, ND 58554
(800) 234-0518

Kathy Carney
Executive Director
MMCDC's Teamwork
P. O. Box 629
Park Rapids, MN 56470
(218) 732-3622

Randall E. Griffin
President
CSRA Development Companies
2123 Wrightsboro Road
Augusta, GA 30904
(706) 210-2010

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

No gifts or payments of any kind will be made to respondents.

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

The information collected under the provisions of the program is not considered to be of a confidential nature. The data is collected from organizations that ordinarily are required to make their activities available for public scrutiny, such as nonprofit entities.

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 sensitive information such as sexual behavior and attitudes, religious beliefs or other matters commonly considered private.

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

The estimated total hours of burden on the public are 17,054. See the attached spreadsheet for a breakdown. The estimates were developed by Agency staff based on personal experience and discussions with applicants and potential applicants.

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

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

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

RBS estimates the cost to the Federal Government to administer the activities of this program to be \$500,000 per year, broken down as follows:

Salaries and benefits:	\$345,450
Travel:	\$90,000
Other Administrative:	\$64,550

The reviews, processing and servicing are typically completed by Program Specialist at the GS-12 level with an approximate salary of \$63,809. The data entry into the Guaranteed Loan System is performed by the Program Technician at the GS-5 level with an approximate salary of \$30,747. Staff time will vary with appropriation levels because the amount of funding available affects how many applications will be received and need evaluated for funding in addition to how many projects will need monitoring and servicing.

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

The burden estimate is adjusted due to the increased demand for the program based on historical data for the last 3 years on applications and obligations and to include the use of Form RD 1942-

46. The overall burden on the public, based on adjustments has increased from 16,275 hours to 17,054

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

This collection of information will not be published for statistical purposes.

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.

There are no new forms associated with this collection of information.

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

The agency is able to certify compliance with all provisions under Item 19 of OMB form 83-I.

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 depends how each State delivers the program. The applicant can go to the Service Center to receive paper applications. They may also sign up for EGov, which will allow them to access the forms on line. Most field offices delivering the program are not located in a Service Center.