

**Supporting Statement  
Data Collection Form for  
Assurances – Construction Programs  
SF-424D**

The SF-424D Assurances – Construction Programs (SF-424D) form is an OMB approved collection (4040-0009). We are renewing the form without any proposed changes.

This form will be utilized by up to 26 Federal grant making agencies. The 4040-0007 form expires on April 30, 2008 (February 4, 2005, Volume 70, Number 23, pages 6049-6050). We are requesting a two-year clearance of this form.

The SF-424D is used to provide information on required assurances when applying for construction Federal grants. The Federal awarding agencies use information reported on the form for the evaluation of award and general management of Federal assistance program awards. The only information collected on the form is the applicant signature, title and date submitted.

The form and instructions are included in Attachment A.

**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, and commercial organizations through the award of Federal grants. There are 26 Federal grant-making agencies with over 900 grant programs. To obtain Federal grant funds, applicant organizations must apply to the agency 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 SF-424D form assists agencies to implement the Office of Management and Budget (OMB) direction to use Grants.gov's 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.

## **2. Information Users**

The SF-424D is the common Federal (standard) assurance form for construction grant applications. It has replaced numerous agency-specific assurances forms thus reducing the administrative burden to the Federal grants community that includes applicants/grantees and to Federal staff involved in grants-related activities. The form provides data to assist Federal program staff and grants officials in assessing the adequacy of applicant's proposals to accomplish project objectives and determine whether the business aspects of applications reflect program needs and grants policies. Agencies 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. The public that may use the collection could include: Federal, State, local, or tribal governments, business or other for profit, and not for profit institutions.

## **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 Grants.gov's Apply mechanism (<http://www.whitehouse.gov/omb/memoranda/fy04/m04-05.html>). The SF-424D is 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-424D was an effort to reduce duplication of similar or identical forms and data sets across Federal agencies. This form also implemented the 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 original proposed form.

## **5. Small Businesses**

The SF-424D is designed to collect the minimum amount of information necessary to comply with the agency requirements and is based on a previously OMB approved collection. The only information collected on the form is the applicant signature, title and date submitted. The burden to all applicants, including small businesses and other small entities is reduced through use of the SF-424D.

## **6. Less Frequent Collection**

The SF-424D form replaced other assurances forms previously used by agencies. If the SF-424D is not used, a variety of assurances forms would need to be used by program and grants officials to assess the adequacy of an applicant's proposals to accomplish project objectives and determine whether the business aspects of applications reflect program needs and grants policies. 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-424D 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 including OMB Circulars A-102, A-110 (relocated to Relocated to 2 CFR 215), A-21 (relocated to 2 CFR 220), A-87 (relocated to 2 CFR 225), and A-122 (relocated to 2 CFR 230), and guidelines of 5 CFR 1320.5(d)(2).

## **8. Federal Register Notice/Outside Consultation**

On February 4, 2005 the Grants.gov Program Management Office, one of the 26 E-Government initiatives, managed by HHS, adopted the Government-wide SF-424D in the *Federal Register* (February 4, 2005, Volume 70, Number 23, pages 6049-6050)

No comments were received in response to the Federal Register Notice (February 28, 2008, Vol. 73, No. 40, page 10776).

## **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. Collection 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.

### 11. Sensitive Questions

Not applicable since there are no sensitive questions.

### 12. Burden Estimate

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. The agencies who plan to use the forms are the Department of Agriculture, Department of Interior, Veterans Administration, and the Department of Commerce. Collectively, these agencies receives approximately 1,952 applications annually and estimate that it takes applicants approximately 18 minutes on average to complete each application. Cumulatively, these organizations report that the total burden to applicants to be approximately 586 hours.

### Section A. Estimated Annualized Burden Hours to Respondents

#### SF-424D Form Estimated Annualized Burden to Respondents

Agency	Number of Annual Respondents	Number of Responses per Respondent	Total Annual Responses	Average Burden on Respondent per Response in Hours	Total Burden Hours
USDA	916	1	916	.25	229
DOI	318	1.227	390	.5	195
VA	141	1	141	.25	35
DOC	505	1	505	.25	126
<b>TOTAL</b>	<b>1,880</b>		<b>1,952</b>		<b>586</b>

The assignment of 18 minutes of burden per response was calculated as follows:  
586 total hrs. x 60 minutes = 35,160 total minutes.  
35,160 / 1952 total responses = 18.01 minutes per response. 18.01 minutes was rounded to 18 minutes for use in the table.

## Section B. Burden Cost

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

Agency	Type of Respondent	Total Burden Hours	Hourly Wage Rate	Total Respondent Costs
USDA	Grant Writer	229	\$30	6,870
DOI	Grant Writer	195	\$30	5,853
VA	Grant Writer	35	\$30	1,058
DOC	Grant Writer	126	\$30	3,788
<b>TOTAL</b>		<b>586</b>		<b>17,568</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-424D form. It should be noted that many applicant organizations already have systems in place 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.

#### 14. Cost to the Federal Government

The proposed SF-424D form is based on an OMB-approved form currently in use. There is no projected incremental increase in the cost burden to the Federal Government with the implementation of the renewed SF-424D form. Each agency currently has existing personnel, systems and processes (or other resources) in place to receive and review their grant applications. Any additional cost for agency system development, maintenance and enhancements should not be attributed to use of the SF-424D, and therefore its use is not expected to alter annualized Federal costs.

Agency personnel time to review the form is estimated at 9.64 minutes per form. Based on 1,952 responses per year ( $1952 \times 9.64 \text{ minutes} = 18,817 \text{ minutes}$ ;  $18,817 \text{ minutes} = 314 \text{ hours}$  estimated personnel time).

Grants administrative personnel generally are in the GS-9, 11, 12, 13, 14 and 15 range. Based on a step one average of these grades, an average hourly salary is \$42.76 per hour ( $42.76/60 \text{ minutes} = .712 \text{ per minute}$  and  $.712 \times 9.64 \text{ minutes} = \$6.86 \text{ per application}$ ).

Therefore, 1,952 annual applications x \$6.86 = \$13,390 of estimated annual cost to the federal government to review the form.

**15. Program or Burden Change**

The form is being renewed without any proposed changes. The burden hours on the proposed collection are based on agency estimates.

**16. Publication and Tabulation Dates**

There are no publication plans for collected data including summarizing or tabulating by Grants.gov. The federal agencies that use the form may use the data collected to provide information as required to OMB in accordance with the Federal Funding Accountability and Transparency Act.

**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.