

**Supporting Statement for the Uniform Administrative Requirements for Grants
and Agreements with Institutions of Higher Education, Hospitals and Other Non-
profit Organizations, 20 CFR 435
OMB NO 0960-0616**

A. Justification

1. **Introduction/Authoring Laws and Regulations** - The Office of Management and Budget (OMB) Circular A-110, "*Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations*," sets forth standards for obtaining consistency and uniformity among Federal agencies in the administration of grants to and agreements with institutions of higher education, hospitals, and other non-profit organizations. Circular A-110 (revised 11/19/93, as further amended 8/29/97) directed each affected agency to promulgate its own rules adopting the language as it appears in the Circular unless different provisions are required by Federal statute or are approved by OMB (58 FR 62992-93). Section 1110 of the *Social Security Act* gives the Commissioner of Social Security authority for making grants to States and public and other organizations and agencies for conducting research and demonstration projects. *Section 20 of the Code of Federal Regulations* (CFR) adopts the provisions and requirements of OMB Circular A-110.

2. **Description of Collection** - Consistent with the guidance provided in Circular A-110, the CFR applies to Federal grants and agreements awarded to institutions of higher education, hospitals, other non-profit organizations, and commercial organizations. The CFR applies to all recipients other than State and local governments and Indian tribal organizations.

In conformance with Circular A-110, the CFR covers the following basic administrative reporting and recordkeeping requirements for applicable recipients of grants and agreements. SSA currently has an estimated total of 127 grant recipients that are subject to the requirements of the regulation.

Reporting Requirements

a) Section 435.25(b) - "Revision of budget and program plans." In this section, under (b), states that "recipients are required to report deviations from budget and program plans, and request

prior approvals for (specific types of) budget and program plan revisions . . . " For example, recipients must request prior approvals from SSA when there is:

- (1) A change in the scope or the objective of the project or program.
- (2) A change in a key person specified in the application or award document.
- (3) The absence for more than 3 months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
- (4) The need for additional Federal funding. This information keeps SSA informed of project changes and helps SSA to adequately monitor the progress and successful completion of the project.

b) Section 435.51 (b), (d), (e) and (f) - "Monitoring and reporting program performance". This section requires recipients to submit performance reports for each award to the Federal awarding agency (SSA). The reports may not be required more frequently than quarterly or, less frequently than annually, and recipients are not required to submit more than the original and two copies of performance reports. In addition, recipients are required to notify the Federal awarding agency immediately of developments that have a significant impact on the award-supported activities. SSA uses this information to evaluate and monitor the progress and completion of the project as approved. SSA generally requires recipients to submit performance reports on a quarterly basis.

Recordkeeping Requirements

a) Section 435.23(h)(5) - "Cost sharing or matching". Under (h) it notes that the value of donated property must be determined in accordance with the usual accounting policies of the recipient, with the following qualifications. Then, under (5) it states that "the following requirements pertain to the recipient's supporting records for in-kind contributions from third parties: (i) Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the recipient for its own employees. (ii) The basis for determining the valuation for personal service, material, equipment, buildings and land must be documented."

b) Section 435.53 - "Retention and access requirements for records". This section covers the requirements for record retention

and access to records for awards to recipients. Federal awarding agencies (SSA) may not impose any other record retention or access requirements upon recipients. In general, recipients must retain all financial records, supporting documents, statistical records, and all other records pertinent to an award for a period of 3 years. The Federal awarding agency, the Inspector General, Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of recipients that are pertinent to the awards, in order to make audits, examinations, excerpts, transcripts and copies of such documents. The 3-year record retention requirement is somewhat of a usual/customary practice and may be a requirement of some State and/or Federal regulators. Most organizations maintain their records for at least 3 years for independent audit purposes and for IRS (Internal Revenue Service) purposes. SSA estimates it will take its recipients less than 8 hours annually for the labeling/filing/storage of award records (including time for retrieval, as may be required for the rare/infrequent audits by SSA or another Federal agency). This requirement affects all of the recipients covered by the proposed rule.

Consistent with the guidance provided in Circular A-110, this information collection applies to Federal grants and agreements awarded to institutions of higher education, hospitals, other non-profit organizations, and commercial organizations. The respondents are all recipients other than State and local governments and Indian tribal organizations. A separate rule covers State and local governments and tribal organizations' requirements.

SSA does not use surveys to collect information. The agency collects financial information using SF 269 and SF 425. Grant recipients report progress in narrative format as prescribed by the program. Grant recipients submit financial and progress reports via paper and the internet. In most cases, respondents complete the ICs by themselves. In addition to providing information on behalf of their own organization, respondents also include information provided by sub recipients when applicable.

SSA requires annual financial reporting for approximately 98 percent of the grantees under this IC. Research and Demonstration grant recipients represent the 2 percent of SSA grantees who report financial progress quarterly. All SSA grant recipients submit quarterly progress reports.

SSA employees will be collecting the information.

- 3. Use of Information Technology to Collect Information** - Respondents submit financial status and progress reports via e-mail and by mailing paper copies. SSA uses SF 425, Federal Financial Report and SF-269, Financial Status Report, for financial reporting, which are government-wide forms cleared under OMB Number 0348-0061 and OMB Circulars A-102 and A-110 respectively. In addition, SSA did not create electronic versions under the agency's Government Paperwork Elimination Act (GPEA) plan because less than 50,000 respondents complete the form.
- 4. Why We Cannot Use Duplicate Information** - The nature of the information we are collecting and the manner in which we are collecting it preclude duplication. There is no other collection instrument used by SSA that collects data similar to that collected here.
- 5. Minimizing Burden on Small Respondents** - Small business and other small entities may be involved. However, there is no significant economic impact and SSA has minimized the burden on them to the greatest extent practicable since the information required is the minimum information needed and is in compliance with Circular A-110.
- 6. Consequence of Not Collecting Information or Collecting it Less Frequently**
These administrative guidelines and requirements affect all grant award recipients subject to the proposed rule. To reduce or change these requirements would be inconsistent with OMB Circular A-110. There are no technical or legal obstacles that prevent burden reduction.
- 7. Special Circumstances** - There are no special circumstances that would cause SSA to conduct this information collection in a manner inconsistent with 5 CFR 1320.5.
- 8. Solicitation of Public Comment and Other Consultations with the Public** -
SSA published the first Federal Register notice on August 19, 2009 at 74 FR 41959 and we have received no public comment. We published the second Federal Register notice on October 26, 2009 at 74 FR 55080. We did not consult with members of the public.
- 9. Payment of Gifts to Respondents** - SSA does not provide payment or gifts to the respondents.
- 10. Assurances of Confidentiality** - SSA protects and holds confidential

the information it collects in accordance with 42 U.S.C. 1306, 20 CFR 401 and 402, 5 U.S.C. 552 (Freedom of Information Act), 5 U.S.C. 552a (Privacy Act of 1974), and OMB Circular No. A-130.

- 11. Justification for Sensitive Questions** - This information collection does not contain any questions of a sensitive nature.
- 12. Estimates of Public Reporting Burden** - SSA currently has 127 grant recipients that are subject to the requirements of the proposed rule. We have explained below and reflected in the following table, the hourly burden as estimated for each of the reporting and recordkeeping requirements.

Total estimated annual burden: 8,556 hours.

Section No.		Number of Respondents	Frequency of Response	Average Burden Per Response (hours)	Estimated Annual Burden (hours)
435.23	Record Keeping	107	Quarterly	1	428
435.25	Report	127	Biannually	4	1,016
435.51	Report	127	Quarterly	12	6,096
435.53	Record Keeping	127	Annually	8	1,016
Total					8,556

a) Section 435.23 (Cost sharing or matching): Approximately 65 percent of SSA award recipients list in-kind contributions from third parties. Recipients that must comply with this requirement will generally need to do so on a quarterly basis (when updating their financial records/reports). Therefore, $107 \times 4 \times 1 = 428$ hours.

b) Section 435.25 (Revision of budget and program plans): Approximately 80 percent of the recipients covered by this rule report deviations/revisions to their grant project budget or program plans, generally on an average of two times a year. Therefore, $127 \times 2 \times 4 = 1,016$ hours.

c) Section 435.51 (Monitoring and reporting program performance): This requirement affects all of the recipients. Recipients must submit reports on a quarterly basis. Therefore, $127 \times 4 \times 12 = 6,096$ hours.

d) Section 435.53 (Retention and access requirements for records): This requirement affects all of the recipients. Therefore, $127 \times 8 = 1,016$ hours.

The total burden for this ICR is 8,556 hours and reflects burden hours. We did not calculate a separate cost burden.

13. **Annual Cost to the Respondents** - This collection does not impose a known cost burden to the respondents.
14. **Annual Cost to the Federal Government** - There is no significant cost to the Federal government.
15. **Program Changes or Adjustments to the Information Collection Request** - When we last cleared this ICR in 2006, the burden was 12,871 hours. However, we are currently reporting a burden of 8,556 hours. This change stems from a decrease in the number of grantee recipients/respondents. In addition, ROCIS did not allow us to show the individual responses for each IC when we last cleared the ICR. Now that it does, we can more accurately show the number of responses for each IC.
16. **Plans for Publication Information Collection Results** - SSA will not publish the results of the information collection.
17. **Displaying the OMB Approval Expiration Date** - SSA is not requesting an exception to the requirement to display an expiration date.
18. **Exceptions to Certification Statement** - SSA is not requesting an exception to the certification requirements at 5 CFR 1320.9 and related provisions at 5 CFR 1320.8(b)(3).

B. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.