

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

The SF-424 Mandatory form (Mandatory) is an OMB approved collection (4040-0002) we are seeking an approval by OMB to reinstatement with change. The change will be the fax number in block 17 will be made optional.

This form will be utilized by up to 26 Federal grant making agencies. We are requesting a 3-year clearance of this form.

**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 awarding of grants and cooperative agreements. There are 26 Federal grant-making agencies and organizations sponsoring and administering over 900 programs. More than half of these Federal agencies and grant-making organizations have discretionary programs authorized by legislation covering a broad range of subject matter. To obtain Federal grant and cooperative agreement awards, applicant organizations must apply to the Federal agency or organization responsible for administering the 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 (P.L.) 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 and streamline Federal financial assistance application process 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..."

In its memorandum to agencies, (<http://www.whitehouse.gov/omb/memoranda/fy04/m04-05.html>); 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.

The Federal Funding Accountability and transparency Act (FFATA) was signed into law on September 26, 2006 (P.L. 109-282). The legislation requires the Office of Management and Budget (OMB) to establish a publicly available, online database

containing information about entities that are awarded federal grants, loans, and contracts. The changes in the SF-424 (Mandatory) form will assist agencies in collecting the FFATA required data elements for the database through the SF-424 applications. Required data elements include the descriptive title of the awardees project. Changes to the form instructions will increase data quality and clarity for the collection. The collection may also be used in support of the American Recovery and Reinvestment Act of 2009.

## **.2. Information Users**

The Mandatory form is the common form used by Federal grant-making agencies for grant applications under mandatory grant programs. It replaced numerous agency-specific forms. The form reduces the administrative burden to the Federal grants community, which includes applicants/grantees and Federal staff involved in grants-related activities. This information collection, the Mandatory 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.

Federal agencies will identify the form as a required form in their grant application instructions and will incorporate the revised form into their 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 find and apply for Federal grants. In its January 7, 2004 memorandum, OMB directed Federal grant-making agencies to use the Grants.gov Apply mechanism (<http://www.whitehouse.gov/omb/memoranda/fy04/m04-05.html>). Information on the Mandatory form will be entered into fillable forms and submitted electronically through the Grants.gov portal. Applicants can complete application forms that they download from Grants.gov and submit them in accordance with 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 Mandatory form and data set reduces 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, revised Mandatory form and data set that will serve as a common application/plan cover page for mandatory grant programs.

SF-424 collections currently in use do not collect all of the FFATA required data elements from applicants. Revision of the Mandatory form reflects Grants.gov's mission to reduce duplication of similar or identical forms and data sets, establish consistency in data collection processes across Federal agencies, and comply with the requirements of FFATA. 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 revisions to the SF-424 (Mandatory) form and data set that will serve as a common form for various grant programs.

#### **5. Small Businesses**

The Mandatory form is designed to collect the minimum amount of information necessary to comply with the FFATA requirements and is based on a previously OMB approved form. The only proposed revision to the data collection is making the fax number optional in Block 17.

#### **6. Less Frequent Collection**

The Mandatory form will provide information required by FFATA. Collection frequency will vary each period based on grant applications and proposals each institution submits. If the collection is not conducted or conducted less frequently, Federal grant-making agencies will not be able to collect all of the data elements required for FFATA compliance and make information about entities that receive Federal grants, loans, and contracts available through the publicly available, online database. 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 Mandatory form was 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 April 27, 2010, the Grants.gov Program Management Office, one of the 26 E-Government initiatives, managed by HHS, published the current SF-424 Mandatory collection for public comment in the *Federal Register* (April 27, 2010, Volume 75, Number 80, page 22132). 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.

## **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 organizations are eligible to use this form. Information gathered from the Department of Transportation and the Veterans Administration generated an estimate of the total burden.

Collectively, these agencies receive 674 applications annually and estimate that it takes applicants approximately one hour on average to complete this form. Cumulatively, these organizations report the total burden to applicants to be 674 hours.

**SF-424 (Mandatory) Form Estimated Annualized Burden to Respondents**

<b>Agency</b>	<b>Number of Annual Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Total Annual Responses</b>	<b>Average Burden on Respondent per Response in Hours</b>	<b>Total Burden Hours</b>
DOT	300	1	300	1	300
VA	363	1	363	1.03	374
<b>TOTAL</b>	<b>663</b>	<b>1</b>	<b>663</b>	<b>2.03</b>	<b>674</b>

The assignment of 60 minutes of burden per response was calculated as follows:  
 674 total hrs X 60 minutes = 40,440 total minutes.  
 40,440 / 674 total responses = 60 minutes per response.

**Section B. Burden Cost**

**SF-424 (Mandatory) Form Estimated Annualized Cost to Respondents**

<b>Agency</b>	<b>Type of Respondent</b>	<b>Total Burden Hours</b>	<b>Hourly Wage Rate</b>	<b>Total Respondent Costs</b>
DOT	Grant Writer	300	\$30	\$9,000
VA	Grant Writer	374	\$30	\$11,220
<b>TOTAL</b>		<b>674</b>		<b>\$20,220</b>

**13. Capital Costs**

The proposed collection is based on revisions to an SF-424 (Mandatory) form currently in use. There is no projected incremental increase in the cost burden to respondents and record keepers associated with the use of the revised Mandatory form. The only revision to the Mandatory form will be the addition of the “Descriptive Title of Project” data field. 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 Grants.gov’s Apply mechanism, which encourages the electronic submission of grants applications.

#### **14. Cost to the Federal Government**

The proposed collection is based on revisions to the Mandatory form currently in use. There is no projected incremental increase in the cost burden to the Federal Government with the implementation of the revised Mandatory form. 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 revised Mandatory form, and therefore its use is not expected to alter annualized Federal costs.

Agency personnel time to review the form is estimated at 79 minutes per form. Based on 674 responses per year ( $674 \times 79 \text{ minutes} = 53,246 \text{ minutes}$ ;  $53,246 \text{ minutes} / 60 = 887 \text{ hours}$  estimated personnel time.

Grants administrative personnel generally are in the GS-9 through GS-15 range. Based on a step one average of these grades, an average hourly salary is \$39 per hour.

$887 \text{ hrs} \times \$39 \text{ per hr.} = \$34,593$  of total agency cost.

Therefore, 674 annual applications = \$34,593 of estimated annual cost to the federal government to review the form.

#### **15. Program or Burden Changes**

The proposed collection is a revised collection. The burden hours on the proposed collection are agency adjustments based on the estimated number of respondents and responses per respondent.

#### **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.