

**Supporting Statement
Data Collection Form for
Budget Information – Non-Construction Programs
SF-424A**

The SF-424A Budget Information – Non-Construction Programs (SF-424A) form is an OMB approved collection (4040-0006). We are seeking approval by OMB to reinstatement with change. We are renewing the form with two proposed changes to the instructions only. In the “General Instructions” section, the following sentence is added as the last sentence: “In ALL cases total funding budgets should be reflected NOT only incremental budget request changes.” Also, in the “Section B Budget Categories” section, the last sentence is revised as follows: “For each program, function or activity, fill in the total requirements for funds, Federal funding only, by object class categories.”

The SF-424A is used to provide budget information when applying for non-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.

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-424A 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. The collection may also be used in support of the American Recovery and Reinvestment Act of 2009.

2. Information Users

The SF-424A is the common Federal (standard) budget form for non-construction grant applications. It has replaced numerous agency-specific budget 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-424A 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-424A 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-424A 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 burden to all applicants, including small businesses and other small entities is reduced through use of the SF-424A.

6. Less Frequent Collection

The SF-424A form replaced other budget forms previously used by agencies. If the SF-424A is not used, a variety of budget 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-424A 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 April 27, 2010, the Grants.gov Program Management Office, one of the 26 E-Government initiatives, managed by HHS, published the current SF-424 A collection for public comment in the *Federal Register* (April 27, 2010, Volume 75, Number 80, page 22134). 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. 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 that submitted burden estimates are: the Corporation for National and Community Service, Department of Defense, Department of Labor, Veterans Administration, Department of Transportation, Social Security Administration, Department of Health and Human Services, Environmental Protection Agency, Department of Interior, Department of Commerce, Department of Homeland Security.

Collectively, these agencies receives approximately **34,968** applications annually and estimate that it takes applicants approximately 2.3 hours on average to complete each application. Cumulatively, these organizations report that the total burden to applicants to be approximately **79,924** hours.

Section A. Estimated Annualized Burden Hours to Respondents

SF-424A 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 |
|--------------|------------------------------|------------------------------------|------------------------|--|--------------------|
| CNCS | 6450 | 1 | 6450 | 4 | 25,800 |
| DOD | 108 | 2 | 216 | .83 | 179 |
| DOL | 2130 | 1 | 2130 | 1 | 2130 |
| VA | 200 | 1 | 200 | .33 | 66 |
| DOT | 1361 | 1 | 1361 | 1.8 | 2450 |
| SSA | 175 | 1 | 175 | 14 | 2450 |
| HHS | 9751 | 1 | 9751 | 1.62 | 15797 |
| EPA | 3816 | 1 | 3816 | 3 | 11448 |
| DOI | 3331 | 1 | 3331 | 2.26 | 7528 |
| DOC | 3000 | 1 | 3000 | 1 | 3000 |
| DHS | 4538 | 1 | 4538 | 2 | 9076 |
| TOTAL | 34,064 | | 34,968 | | 79,924 |

The assignment of 2.3 hours of burden per response was calculated as follows:
79,924 total hrs. / **34,968** total responses = 2.3 hours per response.

Section B. Burden Cost

**SF-424A Form Estimated Annualized
Cost to Respondents**

| Agency | Type of Respondent | Total Burden Hours | Hourly Wage Rate | Total Respondent Costs |
|---------------|---------------------------|---------------------------|-------------------------|-------------------------------|
| CNCS | Grant Writer | 25,800 | \$30 | 774000 |
| DOD | Grant Writer | 179 | \$30 | 5320 |
| DOL | Grant Writer | 2130 | \$30 | 63900 |
| VA | Grant Writer | 66 | \$30 | 1980 |
| DOT | Grant Writer | 2450 | \$30 | 73500 |
| SSA | Grant Writer | 2450 | \$30 | 73500 |
| HHS | Grant Writer | 15797 | \$30 | 473910 |
| EPA | Grant Writer | 11448 | \$30 | 343440 |
| DOI | Grant Writer | 7528 | \$30 | 225840 |
| DOC | Grant Writer | 3000 | \$30 | 90000 |
| DHS | Grant Writer | 9076 | \$30 | 272280 |
| TOTAL | | 79,924 | | \$2,397,670 |

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-424A form. It should be noted that many applicant organizations already have systems in place to respond to OMBs 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-424A 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-424A 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-424A, and therefore its use is not expected to alter annualized Federal costs.

Agency personnel time to review the form is estimated at 1 hour per form. Based on **34,968** responses per year, then **34,968** hours are estimated personnel hours to review.

Grants administrative personnel generally are in the GS9 -15 range. Based on a step one average of these grades, an average hourly salary is \$39 per hour.

Therefore, **34,968**hours x \$39 = \$1,363,752 of estimated annual cost to the federal government to review the form.

15. Program or Burden Change

The form is being renewed with changes to the instructions only. 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

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.