

Supporting Statement for Labor-Management Cooperation Grant Program

Information Collection Request – OMB 3076-0006

A. Justification

Circumstances Making the Collection of Information Necessary

1. Except for the FMCS Forms LM-3 (Accounting System and Financial Capability Questionnaire) and LM-9 (FMCS Grants Program Grantee Evaluation Questionnaire), the forms under consideration herein are either required or recommended in 2 CFR. The two exceptions are non-recurring forms, the former a questionnaire sent only to non-governmental potential grantees and the latter a questionnaire sent to former grantees for voluntary completion and submission. Our LM-8 (Milestone/Progress Report) forms are particularly critical as they are the vehicle by which grantees monitor their grant project to ensure that project performance goals are being achieved in a timely manner. These narrative (Milestone) reports summarize their progress. FMCS is authorized and directed to make grants according to the Labor-Management Cooperation Act of 1978 (PL 54-524).

Purpose and Use of Information Collected

2. The collected information is used by FMCS to determine annual applicant suitability, to monitor quarterly grant project status, and for on-going program evaluation. The LM-8 (Milestones) form requires grantees to compare actual accomplishments with goals, if goals have not been met, to explain why, identify cost overruns or potential problem areas, and provide copies of all Labor-Management Committee meeting minutes. If the information were not collected, there could be no accounting for the grants or the program. Actual use has been the same as intended use.

Use of Improved Information Technology and Burden Reduction

3. FMCS is providing the LM-6 (Request for Advance or Reimbursement), the LM-8 (Milestone/Project Performance), and the LM-7 (Financial Status Report) on-line in a fillable format to allow for application by electronic means as required by the Federal Financial Assistance Management Improvement Act of 1999, Public Law 106-107. While electronic filing has been added as a collection method, grantees must still supply the data.

Efforts to Identify Duplication and Use of Similar Information

4. FMCS has not identified any duplication, as we are the only agency to which our applicants/grantees apply/report concerning this particular grants program. In any case, the LM-3 is the only form to which a “similar information” requirement could apply. That form takes the requirement into consideration by accepting recent audit reports without deficiencies is acceptable.

Impact on Small Businesses or Other Small Entities

5. Small businesses are not respondents in the FMCS grants program.

Consequences of Collecting the Information Less Frequently

6. Two forms, the LM-6 and LM-9 are submitted at the applicant/grantee’s discretion, and are not applicable to this particular discussion. The SF-424 is an OMB form that is a requirement of every grant application. To conduct the quarterly submissions (LM-7/LM-8) less often would deprive FMCS of its only continuously affordable monitoring tool; and, based on our experience during the grant program’s FY1981-FY2010 life, it would provide the grantees with less incentive to meet the goals and objectives for which the Federal funds were awarded. Less than quarterly reports would also deprive FMCS of the

opportunity to provide prompt technical assistance to deal with those problems identified in the report.

Special Circumstances Relating to Submission of Reports

7. There are no special circumstances.

Comments in Response to the Federal Register Notice

8. The 60-day notice was filed in the Federal Register on Tuesday, January 25, 2011 and the 30-day notice was filed on Friday, April 1, 2011. No comments were received in response to these notices. FMCS has never received unfavorable comments to date. All awarded grants are given an opportunity for comments/questions about the forms, and we provide a “how-to” online training booklet and provide training in LM-6, LM-7, LM-8, and LM-9 completion/submission. FMCS has never received unfavorable comments.

Decision to Provide Any Payment or Gift to Respondents

9. No payments or gifts are provided to respondents.

Assurance of Confidentiality Provided to Respondents

10. Confidentiality is not a factor in the FMCS grants program. The grantees have no expectation that their submissions will be kept confidential.

Justification for Sensitive Questions

11. There are no questions of a sensitive nature.

Estimates of Annualized Hour and Cost Burden

12. In our most recent informal survey conducted to receive our forms approval grantees indicated that project directors estimate agency's reporting requirements to run from \$10 to \$200 per report. The variance was explained by the different circumstances of each grantee. Project directors and other administrative staff paid from grant funds earn less than those who are paid from corporate funds. Project directors and administrative staff in small towns earn less than those in big cities. Some projects utilize business managers and others do not. Some project directors have previous grant experience and are thus more sophisticated in the ways and means of report preparation than are others. Some projects contain several components; others contain only one. Some grantees use computers; others use a ballpoint pen.

The above estimates excluded respondent estimates or the OMB-mandated SF-424. In the past, grantees have given us amounts ranging from \$600 to \$5,000, depending on whether they utilized outside help in application preparation. One former grantee received an award based on an application prepared three hours prior to the application deadline by a summer intern for the company who heard by chance about the program while in Washington on the final day of grant competition.

Based on the above, a respondent filing a minimum number of necessary reports and with a \$600 SF-424 would bear an annual cost of about \$650. A respondent filing the maximum number of allowed reports and with a \$5,000 SF-424 could bear an annual cost of up to \$14,000. It must also be remembered that several of the FMCS grant project directors and/or their secretaries and business managers receive all or a part of their salaries or wages from grant funds, and their investment in report preparation and submission is as much a grant cost as it is a respondent cost. On the other hand, SF-424, LM-3, and LM-9 preparation are

pre-agreement or post-grant items, which FMCS, as a matter of policy, does not accept as either a grant or matching share cost.

Form name	Estimated completion	# of
SF-424	30 minutes	40
SF-270	15 minutes	20
SF-269	30 minutes	20
LM-3 (Financial Capability Questionnaire)	60 minutes	10
LM-8 (Milestones)	30 minutes	20
LM-9 (Evaluation Questionnaire)	60 minutes	10

respondents

Burden has been estimated to be approximately 225 hours. This includes all pre and post award form completion.

Estimates of Other Total Annual Costs Burden to Respondents or Recordkeepers/Capital Costs

- There are no additional burdens to respondents since grantees receive all or a part of their salaries or wages from grant funds, and their investment in report preparation and submission is as much a grant cost as it is a respondent cost.

Annualized Cost to the Federal Government

- FMCS Personnel: Posting, receiving, reviewing and processing the forms is performed by a grants management specialist. The grants specialist has an hourly salary of \$46 as of FY2011 and we assign one week's salaries to the Federal cost: \$1,840.

The SF-424 is the basis for the grant program's existence.

Therefore one could argue that the program's entire administrative budget is the Federal cost. However, financial and programmatic review of the form takes up one to two months per year. We assign \$15,000 of salaries to the cost.

Printing - FMCS has its own print plant in which all the forms are reproduced. Print shop personnel use 10 cents per page as a cost estimate. We estimate \$200 as the cost.

Overhead: 10% of personnel (includes postage) = \$990.

The agency uses 10% in calculating its own estimates of the grant program's share of agency administrative costs.

Explanation for Program Changes or Adjustments

15. Reinstatement without change.

Plans for Tabulation and Publication and Project Time Schedule

16. This item is not applicable. We have no publication plans.

Reason Why OMB Expiration Date Will Not Be Displayed

17. The expiration date will be posted.

Exceptions to Certification for Paperwork Reduction Act Submissions

18. There are no exceptions to the certification.

B. Collections of Information Employing Statistical Methods

Statistical methods are not used in these collections of information.

