

2013 SUPPORTING STATEMENT
0572-0112
Technical Assistance Programs, 7 CFR 1775

OMB Terms of Clearance: NONE

A. Justification

1. Explain the circumstances that make the collection of information necessary.

Technical Assistance and Training (TAT) and Solid Waste Management (SWM) are competitive grant programs which the Rural Utilities Service (RUS) administers. Section 306 of the Consolidated Farm and Rural Development Act (CONACT), 7 U.S.C. 1926, authorizes RUS to make loans and grants to public agencies, American Indian tribes, and nonprofit corporations. The loans and grants fund the development of drinking water, wastewater, and solid waste disposal facilities in rural areas with populations of up to 10,000 residents. Under the CONACT, 7 U.S.C. 1926(a), as amended, Section 306(a)(14)(A) authorizes Technical Assistance and Training grants, and 7 U.S.C. 1932(b), Section 310B authorizes Solid Waste Management grants. Grants are made for 100 percent of the cost of assistance. TAT grants have grown from \$2.3 million in 1988 to \$18.2 million in 2013; SWM grants, from \$1.5 million in 1991 to \$3.6 million. These grant programs are administered through 7 CFR 1775.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.

Nonprofit organizations receive TAT and SWM grants to help small rural communities or areas identify and solve problems relating to community drinking water, wastewater, or solid waste disposal systems. The grant recipients provide technical assistance to public bodies and private nonprofit corporations operating the systems in rural areas. The technical assistance is intended to improve the management and operation of the systems and reduce or eliminate pollution of water resources.

The TAT and SWM grant recipients can give technical assistance to nonprofit corporations and public bodies that are eligible for RUS assistance under the Water and Waste Disposal program. Public bodies include counties, cities, townships, incorporated towns and villages, boroughs, authorities, districts, other political subdivisions of a State and Native American tribes.

Nonprofit organizations applying for TAT and SWM grants must submit an application, which includes an application form, narrative proposal, various other forms, certifications, and supplemental information. The Rural Development State Offices and the RUS National Office staff will use the information collected to determine applicant eligibility, project feasibility, and the applicant's ability to meet the grant and regulatory requirements. Based on funding availability for each Fiscal Year and the dollar amount requested by applicants, it may not be possible to fund all applications for the amount requested. If a particular application/project cannot be funded for the full amount, the applicant will be requested to submit revised

documents to reflect the revision in the scope of the project based on the amount that can be awarded. Failure to collect proper information could result in improper determinations of eligibility, improper use of funds, or hindrances in making grants authorized by the TAT and SWM programs.

The applicant will submit the following information:

SF- 424, “Application for Federal Assistance.” (Cleared under 4040-0004)

Applicants use this form as a required cover sheet for applications submitted for TAT and SWM grants. The application is an official form required for all Federal grants and requests basic information about the applicant and the proposed project. This form is submitted as part of the pre-application and if the project is selected, as part of the formal application.

SF-424A, “Budget Information--Non-Construction Programs.” (Cleared under 4040-0006)

Applicants project costs and expenses for the grant project. The form also provides information on matching funds. This form is submitted as part of the pre-application and if the project is selected, as part of the formal application.

SF-424B, “Assurances--Non-construction Programs.” (Cleared under 4040-0007)

Applicants read and sign this form to indicate the organization’s intent to comply with the laws, regulations, and policies to which a grant is subject. This form is submitted as part of the pre-application and if the project is selected, as part of the formal application.

AD 1047, “Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions.”

USDA regulations published at 7 CFR Part 3017 implement the government-wide debarment and suspension system for USDA’s nonprocurement transactions. Applicants for TAT and SWM grants are required to provide certification under these regulations. Form AD-1047 may be used to obtain the required certification.

AD 1048, “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Transaction.”

Form AD-1048 will be signed by applicant’s suppliers, auditors, contractors, etc., and retained by applicant in their files.

AD 1049, “Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - for Grantees Other Than Individuals.”

USDA regulations published at 7 CFR Part 3017 implement the Drug-Free Workplace Act of 1988, which requires that grant recipients agree that they will maintain a drug-free workplace. Applicants are required to provide certification under these regulations. Form AD-1049 may be used to obtain the required certification.

Documentation of Assistance Provided to Rural Development Employees

Applicants must identify and report any known relationship or association with a RUS employee such as close personal association, immediate family, close relatives, or business associates. This includes any assistance provided to employees.

RD 400-1, “Equal Opportunity Agreement” and RD 400-4, “Assurance Agreement.” (Cleared under 0575-0018)

Applicants read and sign these forms to assure RUS that they will comply with Title VI of the Civil Rights Act of 1964. Applicants read and sign this form to agree that they will comply with the Equal Opportunity Clause under Executive Order 11246 of September 24, 1965.

Indirect Cost Rate Agreement.

The applicant’s indirect cost rate agreement with a cognizant Federal Agency must be submitted if their proposed budget includes indirect costs.

Statement of Compliance.

To assure compliance with Title VI of the Civil Rights Act of 1964, the applicant must provide a narrative of how they plan to notify eligible entities of the availability of the service being provided.

SF-LLL, “Disclosure of Lobbying Activities.” (Cleared under 4040-0013)

For grants over \$100,000, applicant must certify that no Federal appropriated funds will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal amendment, or modification of any Federal contract, grant or loan.

Statement Concerning Assistance Under the National Forest Service-Dependent Rural Communities Economic Diversification Act.

Applicants must contact the Forest Service and RUS to find out if any geographical or local areas have received grants for technical assistance to a forest-dependent rural community in a five-year period. TAT and SWM grant funds cannot be used to duplicate technical assistance provided to a forest-dependent rural community under the National Forest-Dependent Rural Communities Economic Diversification Act of 1990. Applicants must submit documentation that such duplicate assistance has not been given.

Supporting Information

Evidence of Legal Existence and Authority.

The applicant must submit certified copies of organization documents and a certified list of directors and officers as evidence of the applicant’s legal existence and authority for the proposed project. The organizational documents can be charters, bylaws, or articles of incorporation. RUS uses the information to determine if the applicant has the proper authority to enter into a binding agreement to use grant funds.

Evidence of Tax Exempt Status.

Private nonprofit organizations eligible for TAT or SWM grants must have 501(c)(3) or 501(c)(4) tax-exempt status, designated by the Internal Revenue Service. An applicant must submit evidence of its tax-exempt status. RUS uses this information to ensure that the applicant meets the eligibility criteria mandated by law.

Narrative - Project Proposal

Applicants will provide a narrative of experience in providing services similar to those proposed. A brief description of successfully completed projects including the need that was identified and objectives accomplished.

The Narrative/Project Proposal should include:

- A project summary
- Needs Assessment
- Project Goals and Objectives

And the narrative should document ability to administer Technical Assistance and Training, financial resources available to pay operational costs and provide financial assistance to projects, and demonstrate secured commitments of financial support from other sources.

Scope of Work/Work Plan

RUS uses the information in the scope of work to measure the performance of the grant recipient and the success of the project. The scope of work describes what will happen in a project, when, and what staff will be responsible. It provides details on the activities or tasks to be accomplished, objectives, timetables for task completion, and anticipated results.

Budget Justification.

The budget justification demonstrates how the funds will be spent and provides details for proposed expenditures, calculations of costs, and explanations of unusual lines in the budget. It discusses how the budget supports the proposed project activities and explains how each budget item is essential to achieving project objectives. RUS uses this information to evaluate the cost effectiveness of the project and the adequacy of funding to carry out the activities of the project. The information will also be used to evaluate a grant recipient's request for payments

Latest Financial Information.

The applicant's latest financial statement is used to help determine if the applicant is financially viable to complete their proposed scope of work.

Evidence of Financial Management System.

Applicant must provide evidence that a financial management system is in place or proposed. RUS uses the information to determine if the applicant will be able to adequately account for federal funds expended.

Post-Application Requirements

RUS Bulletin 1775-1, "Grant Agreement."

The Grant Agreement is the official grant instrument between RUS and the TAT or SWM recipient. It outlines the terms and conditions of the grants, including each party's obligations and remedial authorities available for nonperformance.

Request for Advance or Reimbursement

SF -270 , "Request for Advance or Reimbursement," (Cleared under will be completed by the grantee and submitted to either the State or National Office not more frequently than monthly.

SF 425, "Federal Financial Report." (Cleared under 4040-0014)

Grant recipients must report the status of grant funds for TAT or SWM on the SF-425 on a quarterly basis. The use of this form complies with OMB Circular A-110.

.Project Performance Report.

Grant recipients must submit a narrative progress report quarterly. The project performance report summarizes the project's progress for the quarter and includes information needed to support expenditures claimed for the quarter. The last quarterly report may serve as the final report and must be submitted within 90 days of the project end date. Those items discussed in 1775.20 (d)(1) through(5) should be addressed. RUS uses this information to monitor performance, ensure schedules are met, projected work is accomplished, and objectives are achieved.

The project performance report meets the requirements of: (1) 7 CFR Part 3016, the USDA Implementation of OMB Circular No. A-102, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;" and (2) 7 CFR Part 3019, the USDA implementation of OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations."

Audit.

Grant recipients must comply with the audit requirements of OMB Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations." Generally, they must submit an audit report after project completion. However, the requirements for submitting an audit report under OMB Circular A-133 are based on the total amount of Federal financial assistance expended during a grant recipient's fiscal year from all Federal Sources. Grant recipients that expend \$500,000 or more in a year in Federal awards must have a single or program-specific audit conducted for that year. Those that expend less than \$500,000 in Federal awards may be exempt from audit requirements for that year. RUS will review the information and determine if a grant recipient must submit an audit in accordance with the requirements of the Water and Waste Disposal program and OMB Circular A-133.

Financial Statements.

Grant recipients that expend less than \$500,000 in a year in Federal awards may be able to submit their financial statement in lieu of an audit report after project completion. RUS will review the information and determine if a grant recipient must submit an audit in accordance with the requirements of the Water and Waste Disposal program and OMB Circular A-133.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection.

RUS is committed to meeting requirements of the e-Government Act, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible. RUS accepts electronic applications for TAT and SWM Grants through Grants.gov.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

RUS collects information from applicants only who are applying for or who are receiving TAT or SWM grants. There will be no duplication in the collection of information required. If applicants are applying for other programs where similar information is required, the Agency would make every effort to use that information which is the same.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-1), describe any methods used to minimize burden.

The term “small entity” has the same meaning as the term “small business,” “small organization,” and “small governmental jurisdiction” in accordance with 5 U.S.C. §601(6). The Small Business Administration (SBA) has established a Table of Small Business Size Standards that matches to the industries described in the North American Industry Classification System (NAICS). According to the standards established by the SBA, 100 percent of the approximately 852 total water and waste program applicants, borrowers and grant recipients, are classified as small entities. The information to be collected for the administration of the grant program is the minimum that RUS needs to approve the grants and monitor performance. Small entities may be affected by the reporting burden, but only minimum information necessary is required to carry out the authorized programs.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The information collected under these programs is the minimum necessary to conform to the requirements of the program regulations established by law. Much of the information is collected when applicants file for grants or when the grants are closed. Information is collected

when needed or required by departmental regulations and OMB circulars. Information cannot be collected less frequently and meet the requirements of the programs. Failure to collect proper information could result in improper determinations of eligibility or improper use of funds.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- a. Requiring respondents to report information more than quarterly.
There are no information requirements for reporting more than quarterly
- b. Requiring written responses in less than 30 days.
There are no information requirements for written responses in less than 30 days.
However, grant recipients must notify RUS immediately of developments that have a significant impact on the grant-supported activities or that might materially impair the ability to meet the objectives of the grant.
- c. Requiring more than an original and two copies.
There are no such requirements.
- d. Requiring respondents to retain records for more than 3 years.
There are no such requirements unless any litigation, claim, or audit is started before the expiration of the 3-year period and has not been resolved and final action taken.
- e. That is not designed to produce valid and reliable results that can be generalized to the universe of study.
There are no such requirements.
- f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.
There are no such requirements.
- g. Requiring a pledge of confidentiality.
There are no such requirements.
- h. Requiring submission of proprietary trade secrets.
There are no such requirements.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. Describe efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

As required by 5 CFR 1320.8(d), a Notice for comments on the proposed rule for 7 CFR 1775 was published in the Federal Register on April 30, 2013, at 78 FR 25252. No comments were received.

In June 2013, RUS contacted the following individuals outside the Agency to obtain their views on the paperwork burden imposed by this regulation:

West Virginia University National Drinking Water Clearing House (NDWC), Morgantown, West Virginia, Gerald Iwan, Director of West Virginia University's National Environmental Services Center (NESC). Telephone: (800) 624-8301. He particularly likes the Water Programs Technical Assistance and Training (TAT) website which he says is very helpful in identifying the specific forms needed to complete and submit applications. He has heard no complaints from staff on forms and reporting, filling forms and reporting goes quickly. The electronic forms are easy to use. But the main point he wanted to make is that same other agencies have changed their forms and he hopes we do not. We have good forms and they are easy to use and mainly easy instructions to follow.

Rural Community Assistance Partnership, Inc., Washington, DC, Robert Stewart, Executive Director. Telephone: (202)-408-1273. Mr. Stewart did not cite any specific problems with the paperwork involved, and stated that the process was fairly straight forward. He finds the website quite helpful to locate the forms needed to complete the application, and considers the process to be reasonable.

National Rural Water Association, Duncan, Oklahoma, Claudette Atwood, Chief Financial Officer. Telephone: (580) 252-0629. Ms. Atwood described the grant application and reporting process as simple and straight forward. She stated that the website made it easy to understand and follow the instructions for completing and submitting applications.

9. Explain any decision to provide any payment or gift to respondents, other than re-enumeration of contractors or grantees.

RUS has not made any such decisions or payments.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or Agency policy.

No assurance of confidentiality is provided. Under the Freedom of Information Act, the public can request most data collected from respondents. The information collected under the provisions of these programs is not considered to be confidential.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

The information collected does not contain any questions of a sensitive nature that would be considered private.

12. Provide estimates of the hour burden for the collection of information.

Based on the number of awards made and the agency's experience with the grant program, the agency estimates that the hour burden on respondents associated with this information collection

to be 7,008 hours and the cost burden on respondents to be \$323,840, demonstrated in the table below:

Regulation	Number of Respondents	Total Annual Responses	Total Man-Hours	Total Hourly Wage	Total Costs
7 CFR 1775	142	1,993	7,008	\$46.21	\$323,840

As indicated above, RUS estimates a cost of \$323,840 for respondents to comply with this regulation. The cost is based on 142 organizations filing an application and 45 of them receiving a grant. The primary individuals submitting a grant application, pre-application, or required reports under this regulation would be a director or a professional financial operations staff member. The wage rate of \$35.71 per hour is based on the rate provided for Occupation Code 13-0000 Business and Financial Operations Occupations taken from the Bureau of Labor Statistics (BLS) May 2012 National Industry-Specific Occupational Employment and Wage Estimates for Sector 22-Utilities (NAICS 221000) found at http://www.bls.gov/oes/2012/may/naics2_22.htm#00-0000. Cost of total benefits of \$10.50 is added to the hourly rate for a total hourly wage of \$46.21.¹

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information for (a) capital and start-up cost and (b) operation, maintenance and purchase of services components.

There are no capital and start-up costs and purchase of services components involved with this collection.

14. Provide estimates of annualized cost to the Federal Government.

The cost to the Federal Government is calculated based on the hourly wage of \$48.35 for a GS13/Step 5 Community Programs Specialist. Cost of benefits is calculated at \$17.53 for a total hourly wage of \$65.88.² The cost to the Federal Government to collect and evaluate the information in this collection is summarized in the following calculations:

Application phase analysis – 10 hours X 142 applications X \$65.88	= \$93,550
Award phase analysis – 10 hours X 45 applications X \$65.88	= \$29,646
First Administrative phase – 5 hours X 45 applications X \$65.88	= \$14,823
Second Administrative phase – 3 hours X 45 applications X \$65.88	= \$8,894
Servicing per quarter – 4 quarters X 4 hours X 45 borrowers X \$65.88	= \$47,434
End of grant period – 5 hours X 45 borrowers X \$65.88	= \$14,823
Closeout – 2 hours X 45 borrowers X \$65.88	= <u>\$5,929</u>

¹ Historical data provided by the BLS, Employer Cost for Employee Compensation Supplemental Tables Historical Date December 2006 – September 2012 is utilized to calculate cost of total benefits. Benefits as a percentage of total compensation for private sector trade, transportation, and utilities industry workers was 29.4% of total hourly compensation. See <http://bls.gov/ncs/ect/sp/ecsuhst.pdf>, Page 91.

² The cost of benefits for Federal Employees is 36.25% of the hourly wage rate as provided in OMB Memorandum M-08-13.

Total estimated cost to the Federal Government is:

\$215,099

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-I.

This is a revision to the currently approved collection. There is an overall decrease of 670 responses and 214 hours. Since the last submission there is a program decrease of 640 responses and 730 burden hours associated with moving SF270 and SF425 to "Items cleared under other packages," and a reduction due to reducing the number of quarterly responses from 41 to 10. There is an increase associated with increasing responses for the Narrative, Scope of Work, and Budget Justification which is 78 responses and 624 hours. There is an increase of 142 hours to include hours for reading the regulation and/or application guide.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

RUS has no plans to publish the information collected under the provisions of these programs.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

There are no forms cleared under this collection.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-1.

There are no exceptions requested.

B. Collection of Information Employing Statistical Methods.

This collection does not employ statistical methods.