

Supporting Statement
Data Collection Form for Application for Federal Assistance
SF-424 Form 4040-0004

The SF-424 form is an OMB approved collection (4040-0004). Proposed revisions of the SF-424 include global changes created by the Federal Funding Accountability and Transparency Act (Transparency Act). The Transparency Act 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 revised form will assist agencies in collecting some of the required data elements for the database through the SF-424 grant applications.

This form will be utilized by up to 26 federal grant making agencies. The 4040-0004 collection expired on March 31, 2013. We are requesting reinstatement with a three 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 (Transparency Act) 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 SF-424 form incorporates standard data elements required by the Transparency Act such as a nine-digit zip code, the addition of "parish" to the "county" field, and common language in the form instructions.

2. Information Users

The SF-424 is the standard grant application form. The SF-424 replaced numerous agency-specific forms. Use of this form has reduced the administrative burden to the federal grants community by providing a common government-wide form. The information collection 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.

The SF-424 was established as the government-wide standard core data set and form for grant applications in July 31, 2003 [Federal Register Notice 68 FR 44974]. Use of the standard data elements was implemented through the electronic grants application process of Grants.gov, and was deployed in October 2003 as part of the implementation of the Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107).

Agencies will implement processes for reviewing the applications and making grant awards. 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 and recordkeeping requirements established by the National Archives and Records Administration. Grants.gov is not a system of records as the applications are deleted from the system within 180 days. The public that will use the form includes: federal, state, local, or tribal governments, business or other for profit, 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>). Information on the SF-424 is entered into fillable forms and 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

The SF-424 core data set and form supports the effort to reduce 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. Cross-agency work groups identified the proposed revisions to the SF-424.

5. Small Businesses

The SF-424 form is designed to collect the minimum amount of information necessary to comply with agency requirements and is based on a previously OMB approved collection. All agencies with grant programs that award grants to organizations are eligible to use this form. Use of the SF-424 form is intended to reduce the administrative burden for applicants as it replaced agency-specific grant application forms.

6. Less Frequent Collection

The SF-424 form replaced comparable information previously collected in various application forms by agency grant programs. If the SF-424 were not used, a variety of existing forms and data would remain in use. Additionally, a significant PL 106-107 grants streamlining and simplification opportunity would 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-424 form 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 March 6, 2013 the Grants.gov Program Management Office published a 60- day Federal Register Notice (**78 FR 14550**) for public comment. Interested individuals were invited to send comments regarding any aspect of the SF-424 collection of information. No 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 does 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

This form is to be used as a common form by the following agencies: The agencies who plan to use the forms are the Department of Commerce, Department of Energy, Department of Education, Department of Health and Human Services, United States Department of Agriculture, Social Security Administration, Department of Interior, Environmental Protection Agency, Department of Defense, Department of Labor, and the United States Agency for International Development. The data presented here represents the Department of Health and Human Services as the other Federal agencies shall report their own burden hours.

Section A. Estimated Annualized Burden Hours to Respondents

SF-424 Form Estimated Annualized Burden to Respondents for HHS

Agency	Number of Annual Respondents	Number of Responses per Respondent	Total Annual Responses	Average Burden on Respondent per Response in Hours	Total Burden Hours
HHS	14,747	1	14,747	1	14,747
TOTAL	14,747		17,747		17,747

Section B. Burden Cost

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

Agency	Type of Respondent	Total Burden Hours	Hourly Wage Rate	Total Respondent Costs
HHS	Grant Writer	14,747	\$30	442,410
TOTAL		14,747		\$442,410

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-424 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 collection is based on revisions to the SF-424 form currently in use. There is no projected incremental increase in the cost burden to the federal government with the implementation of the revised SF-424 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 revised SF-424 form, and therefore its use is not expected to alter annualized federal costs.

Agency personnel time for to review the form is estimated at 45 minutes per form. Based on 14,747 responses per year (14,747 x 45 minutes = 663,615 minutes; (663,615 minutes) / 1h/60 min = 11,060 hours estimated personnel time.

Grants administrative personnel generally are in the GS-9, 11, 12, 13, 14 and 15 range. Based on a step five average of these grades, an average hourly salary is \$42.76 per hour. Therefore, 14,747 annual applications to HHS x \$42.76 = \$630,582 of estimated annual cost to the federal government to review the form.

15. Program or Burden Changes

This is a request for reinstatement of a previously-approved collection, which expired on March 31, 2012, with a three-year clearance. No program changes or revisions have been implemented with this IC.

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

Three years from OMB approval.

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.