

## SUPPORTING STATEMENT

### A. JUSTIFICATION

#### 1. Need for the Information Collection.

Agencies, in consultation with OMB, agreed that having each applicant for a grant or cooperative agreement self-disclose if it is a corporate entity with a recent felony conviction or current Federal tax delinquency was the best way to exercise due diligence to comply with the intent of provisions in several agencies' FY 2012 appropriations acts. The provisions preclude use of funds to enter into an award with such a corporate entity unless the appropriate agency suspension or debarment official determines that exclusion of the entity based on the conviction or delinquency is not required to protect the Government's interests. Therefore, this information collection is in the form of representations that an applicant for a DoD grant or cooperative agreement submits with its application (SF 424) to indicate whether it is a corporation that has either a felony conviction or Federal tax liability.

DoD has provisions of that nature in three FY 2012 appropriations acts that make funds directly available to its component departments and agencies for obligation—sections 8124 and 8125 of the Department of Defense Appropriations Act, 2012; sections 504 and 505 of the Energy and Water Development Appropriations Act, 2012; and section 514 of the Military Construction and Veterans Affairs Appropriations Act, 2012 (which are Divisions A, B, and H, respectively, of the Consolidated Appropriations Act, 2012, or Pub. L.112-74). The text of those provisions is in Attachment 2 (submitted as part of this PRA package) of guidance that DoD issued to its Components after receiving OMB approval of its request for emergency Paperwork Reduction Act (PRA) clearance for this information collection.

Because it is currently anticipated that subsequent appropriations acts may include provisions that are identical or nearly identical to those in for the FY 2012 appropriations acts, the need to require applicants' submission of representations to self-disclose is likely to be a longer term requirement than just the multiple years during which FY 2012 appropriations are available for obligation. DoD therefore is seeking PRA clearance to continue to collect the information beyond the six-month period of the emergency clearance that OMB granted.

It should be noted that these appropriations provisions affecting awards to "corporations" have much greater impact on DoD grants and cooperative agreements than one might think if one associates the term "corporation" exclusively with for-profit firms. Many universities, university-affiliated research foundations, and other nonprofit organizations that perform under DoD assistance awards also are incorporated.

#### 2. Use of the Information

Currently, DoD awarding officials lack information needed to determine prior to awarding a grant or cooperative agreement that the intended recipient is not a corporation with a felony conviction or tax delinquency. The information will be used to remedy that deficiency. It will be collected by stating a requirement in program announcements for applicants to submit representations with their applications.

3. Use of Information Technology

Most DoD applicants use Grants.gov and will be able to attach the representation to their electronic application. Grants.gov uses the electronic SF 424 (OMB Control Number 4040-0004).

4. Non-duplication

The information for the purpose of this collection is not currently available.

5. Burden on Small Business

The burden on small businesses is minimal. The representation itself is not burdensome and applicants for DoD grants and cooperative agreements are predominantly universities and other nonprofit entities.

6. Less Frequent Collection

Less frequent collection could result in the Department using FY 2012 appropriations to enter into a grant or cooperative agreement with a corporation that has been convicted of a Federal felony within the past 24 months or has an outstanding tax liability.

7. Paperwork Reduction Act Guidelines

Given that the delinquent status of an entity's tax debt changes over time, collection of the representation with each application—rather than quarterly—is appropriate, as well as cost-effective (creating a central repository for information received from an entity by one DoD awarding office, to make it available for all other DoD awarding offices that may be considering an application from the same entity, would be a very costly undertaking without commensurate value). The collection is consistent with all other guidelines delineated in 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

The Department published a *Federal Register* notice on 05/02/2013 (78 FR 25704) to provide the public with a 60-day opportunity for comment. No comments were received.

9. Gifts or Payment

There will be no payment or gifts to respondents, other than later payments to reimburse programmatic expenditures under awards to successful applicants.

10. Confidentiality

The information collected will be protected in the same manner as other information contained in applications for grants and cooperative agreements. However, if any of the information provided requires consideration of suspension or debarment, the suspension and debarment official will handle that information in accordance with suspension and debarment policies and procedures.

11. Sensitive Questions

The questions are not of a sensitive nature.

12. Respondent Burden, and its Labor Costs

NUMBER OF RESPONDENTS	2,500 entities that submit applications
RESPONSES PER RESPONDENT	One response for each application submitted, so the number of responses per respondent varies depending upon the number of applications that each respondent elects to submit to DoD
NUMBER OF ANNUAL RESPONSES	15,000 (based on the total number of applications per year)
TIME PER RESPONSE	5 minutes
ANNUAL BURDEN	1,250 hours
COST PER RESPONSE	\$4.32 (based on work year of 1,928 hours and estimated cost per work year of \$100,000)
ANNUAL COST TO RESPONDENTS	\$65,000 for 15,000 responses (an average of approximately \$26 per entity per year)

13. Respondent Costs Other Than Burden Hour Costs

- a. There are no capital or start-up costs for respondents.
- b. There are no operation and maintenance costs for respondents.

14. Cost to the Federal Government

The Federal Government in collecting or processing the information collected will incur no annualized costs because awarding offices will compile and use the information in an

integral way with their established methods for processing applications under programs using grants and cooperative agreements.

15. Reasons for Change in Burden

The change in burden is due to the new statutory provisions described in A.1.

16. Publication of Results

The results of the information collection will not be published.

17. Non-Display of OMB Expiration Date

Approval to omit display of the expiration date is not requested.

18. Exception to “Certification for Paperwork Reduction Submissions”

There are no exceptions to the certification of compliance in Item 19.a of OMB FORM 83-1.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.