

JUSTIFICATION FOR CHANGE for RD Form 4280-2 under Control Number 0570-0050, Control Number 0570-0059, and Control Number 0570-0061

Legal counsel advised and assisted in development of the new RD Form 4280-2. This form is intended to be used as a standardized Grant Agreement for all of Rural Business Cooperative Service's grant programs. The Grant Agreement incorporates Departmental regulations and OMB (via Title 2) requirements that would be essential for all grants. The Program Attachment attached to the Grant Agreement will be specific to the statutory or other regulatory provisions specific to the grant program awarding the grant. In this case, it is the Rural Energy for America Program (REAP), which includes five types of grants. The next program that would be using the standardized Grant Agreement would only have to get the Program Attachment specific to their program approved. This form was included with the REAP interim rule package published in the Federal Register April 14, 2011.

- Updates needed were based upon OMB SF form replacement and new form requirements.
 - SF 269 with SF 425
 - Require PPR forms for grants over \$100,000.

- Updates needed were based upon requirements codified in Title 2.
 - 2 CFR 25.110 - Central Contractor Registration and Universal Identifier Requirements
 - 2 CFR 170 - Reporting Subawards and Executive Compensation Information

- Language was needed to address conflict between Title 2 and Title 7 to cover all grant recipients.
 - 2 CFR parts 215, 220, 225, 230 are the uniform administrative requirements and cost principles for grants and agreements (previously OMB circulars), but states that they are to be used as guidance. This conflicts with the intent of it being codified and to be utilized as a regulation.
 - Currently, USDA still has its uniform administrative requirements and cost principles for grants and agreements in 7 CFR parts 3015 through 3019, 7 CFR part 3021, and 7 CFR part 3052. There are some conflicts between both titles and in order to ensure that all recipients were covered, we had to add language.
 - The language is "Part 3015 of title 7 CFR shall apply to (a) state and local governments and (b) institutions of higher education, hospitals and other non-profit organizations to the extent there is not a more specific provision in 7 CFR 3016 and 3019, respectively. Part 3015 of title 7 shall also apply to individuals. For the purposes of 7 CFR 3019, "recipient" shall include commercial organizations including sole proprietorships."

- Representations and Warranties language added to clarify grantee requirements.