

# DEPARTMENT OF TRANSPORTATION

## SUPPORTING STATEMENT

### **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards OMB Control Number 2105-0520**

#### **INTRODUCTION**

This is to request the Office of Management and Budget (OMB) renew the three-year approved clearance for the information collection, entitled, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (2CFR 200) with OMB Control No 2105-0520. Originally the OMB guidance under this Control Number was titled: Uniform Administrative Requirements for Grants and Agreements to State and Local Governments and with Institution of Higher Education, Hospitals and Other Non-Profit Organizations (OMB Circulars A-110 and 2 CFR 215). However, on December 26, 2014, OMB issued new guidelines titled: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and these guidelines cover the following data collection standard forms (SF): Application for Federal Assistance (SF-424); Federal Financial Report (SF-425); Request for Advance or Reimbursement (SF-270); and Outlay Report & Request for Reimbursement for Construction Programs (SF-271).

There have also been adjustments to the burden estimates. In 2010, the Department estimated a combined total of 2,704 respondents and 189,280 burden hours. Due a 35% decrease in appropriations the Department has revised estimates and now has a combined total of 1,758 respondents and burden hours of 123,060. The estimated cost to respondents and the federal government has decreased by 35% in overhead expenses.

#### **Part A. Justification**

##### **1. Circumstances that make the collection of information necessary.**

The Office of Management and Budget (OMB) Circular 2 CFR 200 was issued on December 26, 2014. The Circular sets standards for administration of Federal grants to all Financial Assistance entities. Federal grant-making agencies were required to incorporate the contents of the 2 CFR 200 in their grant regulations, which the Department of Transportation (DOT) codified as 49 U.S.C. 322(a), and 49 CFR part 1201 and DOT accepts OMB-required reporting and recordkeeping requirements in Sections 2 CFR 200.206 and 200.327. This information collection includes those DOT grant programs that utilize the following OMB standard forms (SF): SF-424; SF-425; SF-270; and Outlay Report & Request for Reimbursement for Construction Programs SF-271 and collects no additional information.

DOT GOAL: DOT annually funds approximately \$ 61 billion in grants and cooperative agreements. Guidance for departmental formula and discretionary grant programs is contained in their authorizing legislation, program regulations, or departmental regulations. This guidance

generally includes general project management requirements and the limitation, if any, on spending authority. Departmental grants are generally made to State and local governments, with lesser amounts going to Indian tribes, universities and nonprofit organizations. These grants are normally used to assist these entities in the planning, design, and construction of transportation improvements (e.g., highway, transit, and airport improvements). Collection of this data provides the Department a mechanism for achieving organizational excellence in its grants administration.

**2. How, by whom, and for what purpose is the information to be used.**

The pre-award information, (SF-424, Application for Federal Assistance), is used to qualify and select grant applications. The post-award information, (SF-425, Federal Financial Reporting; SF-270, Request for Advance or Reimbursement; SF-271 Outlay Report and Request for Reimbursement for Construction Programs) are used to monitor grantee performance. The after-the-grant information (SF-425), Federal Financial Report), is used to close out the grant awards. The information is necessary to ensure minimum fiscal control and accountability for Federal funds and deter fraud, waste and abuse.

**3. Extent of automated information collection.**

The financial reporting forms are government-wide forms under the control of OMB. OMB provides guidance to Federal agencies on the use of these forms, including the requirement to use a baseline annual information collection burden of 27 hours per grantee respondent. These forms are available online from the OMB grants web page at [http://www.whitehouse.gov/omb/grants\\_forms](http://www.whitehouse.gov/omb/grants_forms) as well as U.S. Department of Health and Human Services (HHS) via [www.grants.gov](http://www.grants.gov). Eighty-five percent (85%) of the forms are submitted electronically. SF-424 is submitted through [www.grants.gov](http://www.grants.gov) and the remaining forms are submitted directly to the individual DOT program office either by mail or email.

**4. Describe efforts to identify duplication.**

There is no duplication of effort in regards to the process identified in item 2.

**5. Efforts to minimize the burden on small businesses.**

The information requirements pertains to a few small business or small entities that receive financial assistance from DOT. However, OMB controls the information collection requirements of SF-424, SF-425, SF-270, and SF-271.

**6. Impact of less frequent collection of information.**

Information collection requirements follow OMB guidelines as prescribed in Circular 2 CFR 200. No less frequent collection is feasible.

**7. Special Circumstances.**

The information collection is consistent with 5 CFR 1320.6 Public Protection.

**8. Compliance with 5 CFR 1320.8(d).**

DOT published a 60-Day notice in the Federal Register on June 3, 2015 (80 FR 31643) soliciting comments from the public on this information collection. No comments were received. The 30-Day notice in the Federal Register was published August 31, 2015 (volume 80, Number 168 page 52538).

**9. Payment or gifts to respondents.**

Not applicable.

**10. Assurance of confidentiality.**

Assurance of the not sharing proprietary information is located in the Request for Application and is support by 44 U.S.C §3501 Paperwork Reduction Act as well as 5 U.S.C. §552a.

**11. Justification for collection of sensitive information.**

The agency does not collect confidentiality information addressed in the statement.

**12. Estimate of burden hours for information requested.**

The following procedures were utilized in determining the burden rate.

Grantees: The number of grantees 1,758 estimated hours X 70 average hr. rate.

Annual Recordkeeping and Reporting burden is based on the following:

- The hourly rate was estimated for a Federal GS-9, step 5 \$23.02 adjusted by an overhead rate of 33%, this provides an average hourly rate of \$30.62. This was used for both grantee and Federal costs.
- The number of respondents used is based on historical data from grantee respondents. This method was used to determine the grant activities of the grant making agencies under the DOT umbrella.
- The number of hours (70) used is based on the OMB burden rate baseline provided on the standard forms.

**Burden Summary of 2105--0520**

	<b>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</b>	<b><u>Total</u></b>
# of Respondents	1,758	1,758
Frequency	Quarterly	Quarterly
Burden per Respondent	70	70
Total Annual Burden	123,060	123,060
Annual Costs to Respondent	\$3,768,097	\$3,768,097

**Total # of respondents is:** 1,758 grantees

**Estimated # of responses:** 7,030

**Estimated Annual Burden per respondent:** 70 hours

**Total Annual Burden Hours:** 123,060 (1,758 respondents x 70 annual hours per respondent)

Data was captured from DOT's Grants Information System and USAspending.gov concerning the number of grant awards and the associated monetary activity. Since the 2010 submission, DOT has had a 35% decrease in grant activity. Therefore, using 2010 as a baseline 189,280 the 2015 burden rate (189,280) reflects the 35% decrease in activity and the combining of the data collection instruments under OMB Circular 2 CFR 200. The number of hours used is based on the OMB baseline of 70 burden hours per respondent. The burden decrease is based on the number of recipients obtaining awards and combining the four information collections approved in 2010.

**13. Estimate of the total annual costs burden.**

**Total Annual Cost to Respondents:** \$3,768,097 (1,758 respondents x 70 annual hours per respondent x 30.62)

The hourly rate was estimated for a Federal GS-9, step 5 (\$23.02) adjusted by an overhead rate of 33%, which provides an average hourly rate of \$30.62. This was used for both grantee and Federal costs. There are no additional costs to the respondent.

**14. Estimates of costs to the Federal Government.**

**Total Annual Cost to Federal Government:** \$5,381,465 (7,030 responses x 25 hours x \$30.62 hourly rate).

There are no additional costs to the Federal Government.

**15. Explanation of the program change or adjustments.**

The Department requests a name change from Uniform Administrative Requirements for Grants and Agreements to State and Local Governments and for Grants and Agreements with Institution of Higher Education, Hospitals and Other Non-Profit Organizations to Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards due to new guidance issued by OMB on December 26, 2014 for information collection 2105-0520.

After careful review of the collections, it was determined that the collected information is identical, with the exception of the guidance document (2 CFR 200), and does not warrant individual collection requests.

Since the 2010 submission, the Department determined that there has been a 35% decrease in the number of respondents and burden hours and a 35% decrease in costs, this is due to the a decrease in appropriations which excluded the \$48 billion in American Recovery and Reinvestment Act funding. In 2010, the Department estimated a combined total of 2,704 respondents and a combined total of 189,280 burden hours. Based on current data, the Department now estimates a combined total of 1,758 respondents and 123,060 burden hours.

**16. Publication of results of data collection.**

There are no plans to publish any of the information collected.

**17. Approval for not displaying the expiration date of OMB approval.**

DOT is not seeking approval to not display the collection expiration dates.

**18. Exceptions to the certification statement.**

There are no exceptions to the certification statement.

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List of ICs			
IC Title	Form No.	Form Name	CFR Citation
<b>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</b>	SF-270, SF-271, SF-425, SF-424	Request for Advance or Reimbursement, Outlay Report & Request for Reimbursement for Construction Programs, Federal Financial Report, Application of Federal Assistance	5 CFR 1320.6