

**Supporting Statement**  
**Data Collection Form for Application for Federal Assistance**  
**SF- 425 Federal Financial Report 4040-0014**

We are renewing an approved data collection (OMB No. 4040-0014), the SF-425 Federal Financial Report as a Common Form. We are requesting a three-year re-instatement and clearance of this form. This form is utilized by Federal award recipients for reporting financial expenditures. The collection expired on February 28, 2015

**A. Justification**

**1. Need and Legal Basis**

The Office of Federal Financial Management (OFFM) leads efforts at government-wide grants management to assure that Federal grants to non-Federal entities are managed properly and spent in accordance with laws and regulations. Working cooperatively with Federal grant-making agencies and non-Federal entities, OFFM establishes policies and guidelines through OMB's grants Uniform Regulations. Grants.gov serves as a repository for Federal grant-related forms on behalf of OMB OFFM.

Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, establish the requirements fulfilled by this form.

**2. Information Users**

The SF-425 Federal Financial Report will be used by recipients to report on financial status and outlays, use of any earned program income and matching funds contributed by the grantee. The Federal grant-making agencies will use the information reported on this form for general management of awards made under Federal financial assistance programs.

**3. Improved Information Technology**

Federal agencies have the option of allowing grantees to use electronic submission of the financial status data.

**4. Duplication of Similar Information**

There is no other source for the information reported on this form.

**5. Small Businesses**

This information collection does not have a significant impact on small businesses or other small entities.

**6. Less Frequent Collection**

No less frequent collection is feasible.

## 7. Special Circumstances

A recipient that is considered “high-risk” because of financial or performance issues may be required to report more frequently than quarterly. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, establish the requirements fulfilled by this form.

## 8. Federal Register Notice/Outside Consultation

The Grants.gov Program Management Office, published the proposed SF-425 for 60-day public comment in the *Federal Register* on November 6, 2014 (79 FR 65961) and for 30-day public comment on February 11, 2015 (80 FR 7596).

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. Confidentiality 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.

## 11. Sensitive Questions

Not applicable since there are no sensitive questions.

## 12. Burden Estimate

### Section A. Estimated Annualized Burden Hours to Respondents

By aggregating HHS’ burden estimates, an estimate of the total burden of the information collection was developed and generated an estimate of burden Collectively, HHS received 100,000 submissions from recipients annually and estimate that it takes applicants 1 hour on average to complete each application. Cumulatively, these organizations report the total burden to applicants to be 100,000 hours.

### SF-425 Federal Financial Report Estimated Annualized Burden to Respondents

Agency	Number of Respondents	Number of Responses	Total Responses	Average Burden per	Total Burden
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		per Respondent		Response in Hours	Hours
HHS	100,000	1	100,000	1	100,000
<b>TOTAL</b>	<b>100,000</b>		<b>100,000</b>		<b>100,000</b>

## Section B. Burden Cost

### SF-425 Federal Financial Report Estimated Annualized Cost to Respondents

Agency	Type of Respondent	Total Burden Hours	Hourly Wage Rate	Total Respondent Costs
HHS	Grant Writer	100,000	\$30	\$3,000,000
<b>TOTAL</b>		<b>100,000</b>		<b>\$3,000,000</b>

#### 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-425 Federal Financial Report.

#### 14. Cost to the Federal Government

The primary sources of costs to the Federal government are related to staff hours associated with reviewing grant applications and the costs of receiving and maintaining records and systems. Each agency currently has existing personnel; systems and processes in place to receive and review their agency-specific grant applications. Any additional cost for agency system development, maintenance and enhancements should not be attributed to use of the SF-425 Federal Financial Report; therefore, its use is not expected to alter annualized Federal costs.

Agency personnel time to review the form is averaged at 1 hour per form. Based on 100,000 responses per year the estimated personnel time is 100,000 hours.

Grants administrative personnel generally are in the GS-9 through GS-15 range. Based on a step five average of these grades, an average hourly salary is \$39 per hour. Therefore, the total cost to the Federal government is \$3,900,000.

#### 15. Program or Burden Changes

The form is now being classified as a Common Form. Burden hours are reported for HHS only. Other Federal grant-making agencies using the form are responsible for reporting burden hours.

#### 16. Publication and Tabulation Dates

Not applicable since there are no publication plans.

**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.