
Supporting Statement for EERE Budget Justification

Part A: Justification

OMB No. 1910-5162



10/2021

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Introduction

Provide a brief introduction of the Information Collection Request. Include the purpose of this collection, note the publication of the 60-Day Federal Register Notice, and provide the list of forms within this collection.

This collection of information is necessary in order for the Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy (EERE) to evaluate application budgets and projects that are eligible for Grants and Cooperative Agreements in compliance with uniform policies, procedures, administrative requirements, cost principles, and audit requirements within EERE programs.

The Department published a 60-day Notice and Request for Comments concerning this collection in the Federal Register on Tuesday, July 13, 2021, Federal Register / Vol. 86, No. 131, Pages 36731 - 36732.

The EERE T 540.132 Budget Justification automatically generates an SF-424A budget document based on the fields completed on the Budget Justification.

A.1. Legal Justification

Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the information collection.

The Energy Policy Act of 2005 (EPACT) (P.L. § 109-58), the Energy Independence and Security Act of 2007 (EISA) (P.L. § 110-140), and the American Reinvestment and Recovery Act of 2009 (ARRA) (P.L. § 111-5) all generated numerous energy efficiency and renewable energy research, development, demonstration, and outreach incentive programs. The Department of Energy (DOE) manages a large number of these incentive programs, including a vast amount of public financial assistance in the form of Grants and Cooperative Agreements.

2 CFR 200, as amended by 2 CFR 910, implements the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and establishes uniform policies and procedures for the award and administration of DOE grants, cooperative agreements, and technology investment agreements. Subpart B—General Provisions of this part, through Subpart D—Post Federal Award Requirements of this part, are authorized under the Chief Financial Officers Act (U.S.C. Title 31-Money and Finance), Functions of the Deputy Director for Management (U.S.C. § 503), Improving Economy and Efficiency of the United States Government (31 U.S.C. § 1111), the Office of Federal Procurement Policy Act (41 U.S.C. § 1101-1131), Reorganization Plan No. 2 of 1970, and Executive Order 11541, "Prescribing the Duties of the Office of Management and Budget and the Domestic Policy Council in the Executive Office of the President," the Single Audit Act Amendments of 1996 (31 U.S.C. § 7501-7507), and The Federal Program Information Act (Public Law 95-220 and Public Law 98-169, as amended, codified at 31 U.S.C. § 6101-6106). Subpart E—Cost Principles of this part is authorized under the Budget and Accounting Act of 1921, as amended, the Budget and Accounting Procedures Act of 1950, as amended (31 U.S.C. § 1101-1125), the Chief Financial Officers Act of 1990 (31 U.S.C. § 503-504), Reorganization Plan No. 2 of 1970, and Executive Order No. 11541, "Prescribing the Duties of the Office of Management and Budget and the Domestic Policy Council in the Executive Office of the President." Subpart F—Audit

Requirements of this part is authorized under the Single Audit Act Amendments of 1996, (31 U.S.C. § 7501-7507).

2 CFR 200.211, Information contained in a Federal award, states that a Federal award must include general Federal award information. The Federal awarding agency must include the following general Federal award information in each Federal award: (11) Budget Approved by the Federal Awarding Agency.

Additionally, 2 CFR 200.205, Federal awarding agency review of merit of proposals states that, “For discretionary Federal awards, unless prohibited by Federal statute, the Federal awarding agency must design and execute a merit review process for applications, with the objective of selecting recipients most likely to be successful in delivering results based on the program objectives outlined in section §200.202. A merit review is an objective process of evaluating Federal award applications in accordance with written standards set forth by the Federal awarding agency. This process must be described or incorporated by reference in the applicable funding opportunity (see appendix I to this part.)”

The Budget Justification form allows EERE to efficiently request the minimum budgetary information needed to evaluate costs and objectively judge an application for a Federal award. Over the course of decades of issuing financial assistance awards, EERE has determined these to be the minimum number of necessary submissions to properly perform an objective merit review of a proposal and to ensure federal financial assistance awards comply with applicable law, regulations, and policies.

A.2. Needs and Uses of Data

Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection

As detailed in Section A.1, EERE is required by Federal Uniform Guidance to complete a detailed analysis of budget information included in applications for financial assistance. EERE staff are required to make determinations of allowability, allocability, and reasonableness on a cost-by-cost basis. In order to make these determinations, detailed budget information per cost category is required. The Budget Justification form allows EERE to efficiently request the minimum budgetary information needed to evaluate costs and objectively judge an application for a Federal award and manage the award after it is made. The Budget Justification collects detailed budget information for each financial assistance award, including the following:

- Project personnel broken down by wages and estimated hours
- Fringe benefits
- Detailed project travel plans broken down into travel location, number of travelers, reason for travel, etc.
- Large equipment purchases
- Supply costs
- Contractual costs (i.e. sub-recipient and vendor expenses)
- Construction costs (if applicable)
- Indirect Costs

- Other direct costs that are not captured in other places of the budget
- Recipient cost share for the project

The information collected for the Budget Justification will be used by DOE officials to evaluate application budgets for cost reasonableness, allocability, and allowability in accordance with the Cost Principles at 2 CFR 200.400-.476 and 2 CFR 910.352. The Budget Justification will also be used to review recipient regulation compliance for DOE Grants and Cooperative Agreements. The information will be used for the evaluation of continuation and renewal applications from recipients. The information solicited on current budget forms, SF-424A (OMB Number 4040-0006) and SF-424 R&R (OMB Number 4040-0001), is not sufficiently detailed to justify the budget, because only dollar values are on the forms. Without explanatory comments to accompany the budgets, it is not possible for EERE to evaluate the information in accordance with Federal regulations on financial assistance. Therefore, the use of the Budget Justification, with explanatory comment sections, is necessary to comply with all regulatory requirements.

A.3. Use of Technology

Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

EERE solicitation (FOA) applications are submitted in electronic format through [Grants.gov](https://www.grants.gov) and [EERE Exchange](#). Within all applications, the Budget Justification would be submitted in an MS Excel file. During the post-award phase, recipients will send budget application documentation via email directly to EERE contacts. The Budget Justification spreadsheet utilizes budget formulas that provide summarizations and correspond to multiple sheets/tabs. This greatly reduces burden on users by eliminating redundant data entry and external calculation.

A.4. Efforts to Identify Duplication

Describe efforts to identify duplication.

The information collected in the Budget Justification is not collected elsewhere by DOE nor do existing OMB-approved forms collect the information required in the Budget Justification. EERE must evaluate each budget line item in sufficient detail, to ensure that application costs are reasonable and allowable. In order to conduct those evaluations, justification comments must be submitted to explain the costs. Therefore, the Budget Justification form was developed to get the explanations for the budget, so that subsequent requests for budget justifications can be avoided. All of this required detail ensures that the information is not duplicative, but unique to DOE. Further, the Budget Justification automatically generates an SF-424A cumulative budget, so that an applicant to, or recipient of, an EERE financial assistance award will not have to fill out this form, thus reducing duplicative efforts. The detailed information collected in the Budget Justification is not collected elsewhere (either within DOE or at another agency) and it is necessary to have a consistent and reliable budget format that can be used to meet EERE's evaluation needs. Industry normally develops this budget information for new projects, yet each grant and/or cooperative agreement is unique in nature. By utilizing the Budget Justification, users will be able to employ this tool to facilitate the compilation of cost and budget data in a clear and concise manner.

The most relevant OMB-approved form, the SF-424 R&R Budget Form (OMB Number 4040-0001), is oriented more for educational institutions, and does not parallel our budget process in an efficient or effective manner. Reviewers have found it difficult and cumbersome to employ. The SF-424A (OMB Number 4040-0006) is another form that summarizes budget information. However, neither of these forms contain sections for comments or explanations for each budget line item.

A.5. Provisions for Reducing Burden on Small Businesses

If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

Grants and Cooperative Agreements sponsored or supported by EERE typically have open funding eligibility to all organization sizes and types, including small businesses. The Budget Justification tool assists small organizations to adhere to applicable Federal regulations by offering a standardized budget compilation tool to convey cost projections with minimal negotiation and correspondence with EERE.

A.6. Consequences of Less-Frequent Reporting

Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

If the information is not collected, EERE will be unable to adequately implement the OMB issued administrative guidance required by 2 CFR 200 Subpart B through Subpart D as amended by 2 CFR 910, the Cost Principles in Subpart E., the Audit Requirements in Subpart F, and the regulations of FAR 31.2. The lack of consistent budget submissions will hinder efficiency and prolong the award process for recipients and Federal staff. It also implies an unnecessary cost burden due to forgone savings resulting from streamlining efforts.

A.7. Compliance with 5 CFR 1320.5

Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines:

- (a) requiring respondents to report information to the agency more often than quarterly;**
- (b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- (c) requiring respondents to submit more than an original and two copies of any document;**
- (d) requiring respondents to retain records, other than health, medical government contract, grant-in-aid, or tax records, for more than three years;**
- (e) in connection with a statistical survey, that is not designed to product valid and reliable results that can be generalized to the universe of study;**
- (f) requiring the use of statistical data classification that has not been reviewed and approved by OMB;**

(g) that includes a pledge of confidentiality that is not supported by authority established in stature of regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

(h) requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

(a) None.

(b) None.

(c) None.

(d) If a specific Grant or Cooperative Agreement Project Period is longer than 3 years, budget, accounting, and payment records would be required for longer than 3 years.

(e) None.

(f) None.

(g) None.

(h) Grants and Cooperative agreements may utilize new or original technologies and engage products or processes not yet on the market. Applicants may be required to submit proprietary budget data to justify the award costs of a Grant or Cooperative Agreement.

A.8. Summary of Consultations Outside of the Agency

If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5CFR 320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken in response to the comments. Specifically address comments received on cost and hour burden. Describe efforts to consult with persons outside DOE to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or report.

The Department published a 60-day Notice and Request for Comments concerning this collection in the Federal Register on Tuesday, July 13, 2021, Federal Register / Vol. 86, No. 131, Pages 36731 - 36732. No comments were received.

No other efforts have been made to consult with persons outside DOE to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or report.

A.9. Payments or Gifts to Respondents

Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payment or gift to respondents is being proposed under this information collection.

A.10. Provisions for Protection of Information

Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Patentable ideas, trade secrets, and proprietary or confidential commercial or financial information, disclosure of which may harm the applicant, should be included in an application only when such information is necessary to convey an understanding of the proposed project. To protect such data, each line or paragraph on the pages containing such data must be specifically identified and marked. DOE is responsible for the final determination with regard to disclosure or nondisclosure of the information, and for treating it accordingly under the DOE Freedom of Information regulations at 10 CFR 1004.11.

A.11. Justification for Sensitive Questions

Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why DOE considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

Questions of a personally sensitive nature, such as sexual behavior and attitudes, and religious beliefs, are not included in this information request. The information collected is of a budgeting nature. Projected budget data that an organization may deem sensitive is reviewed only to assure that it is allowable, allocable, and reasonable, and within the applicable Administrative Guidelines and Cost Principles. Additionally, DOE asks that information provided by the applicant must, to the greatest extent possible, exclude Personally Identifiable Information (PII). Further, DOE protects all confidential information consistent with the Privacy Act of 1974, 5 U.S.C. § 552a.

A.12A. Estimate of Respondent Burden Hours

Provide estimates of the hour burden of the collection of information. The statement should indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, DOE should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample fewer than 10 potential respondents is desirable.

The estimated hour burden of the information collection is 24 hours per collection.

Total number of unduplicated respondents: 400 per year (average)
 Reports filed per person: 1
 Total annual responses: 400
 Total annual burden hours: 9,600
 Average Burden Per Applicant: 24 hours
 Per Collection: 24 hours

Table A1. Estimated Respondent Hour Burden

Form Number/Title (and/or other Collection Instrument name)	Type of Respondents	Number of Respondents	Annual Number of Responses	Burden Hours Per Response	Annual Burden Hours	Annual Reporting Frequency
EERE T 540.132 Budget Justification	Individuals or households	8	8	24	192	1
EERE T 540.132 Budget Justification	Business or other for-profit	120	120	24	2880	1
EERE T 540.132 Budget Justification	Not-for-profit institutions	120	120	24	2880	1
EERE T 540.132 Budget Justification	Federal Government	2	2	24	48	1
EERE T 540.132 Budget Justification	State, Local or Tribal	150	150	24	3600	1
TOTAL		400	400		9,600	

The public reporting burden for the collection of information is estimated to average 24 (total burden hours/total annual responses) hours per response. The respondents are applicants and recipients of DOE Grants and Cooperative Agreements. This estimate is based on the time required by a DOE employee to fill out the Budget Justification with the conservative assumption that the respondents would require at least 1/3 more time than a DOE employee. All estimates erred on the conservative (more time) side in order to calculate burden hours.

A.12B. Estimate of Annual Cost to Respondent for Burden Hours

Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under ‘Annual Cost to Federal Government’.

All respondent costs will be associated with the compilation of data to be entered into the Budget Justification form. The recipient will not be required to perform any auxiliary business functions when filling out the form. Thus, the only costs will be information gathering from the hourly burden described in item 12 above.

- Fully Burdened Average Wage for U.S. BLS Engineer is \$68.99 (\$49.28/hr. * 1.4)
- Fully Burdened Average Wage for U.S. Cost Estimator is \$49.11 (\$35.08/hr. * 1.4)

\$59.05 [Fully Burdened Average of U.S. BLS Engineer and Cost Estimator (\$68.99/hr. + \$49.11/hr.)/2 Wages] x 24 (hours) = \$1,417.20 per response (or a cumulative **\$566,880** for all 400 responses).

These wage estimates are based on the Bureau of Labor Statistics May 2020 National Occupational Employment and Wage Estimates (the most recent data available).

Ongoing cost burden will only occur if the actual project costs vary greatly in comparison to the original budget estimates entered into the Budget Justification and need to be revised.

Table A2. Estimated Respondent Cost Burden

Type of Respondents	Total Annual Burden Hours	Hourly Wage Rate	Total Respondent Costs
Individuals or households	192	\$59.05	\$11,337.6
Business or other for-profit	2880	\$59.05	\$170,064
Not-for-profit institutions	2880	\$59.05	\$170,064
Federal Government	48	\$59.05	\$2,834.4
State, Local or Tribal	3600	\$59.05	\$212,580
TOTAL	9,600		\$566,880

A.13. Other Estimated Annual Cost to Respondents

Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

All respondent costs will be associated with the compilation of data to be entered into the Budget Justification form. The recipient will not be required to perform any auxiliary business functions when filling out the form. Thus, the only costs will be information gathering from the hourly burden described in item A.12B above. Ongoing cost burden will only occur if the actual project costs vary greatly in comparison to the original budget estimates entered into the Budget Justification and need to be revised.

A.14. Annual Cost to the Federal Government

Provide estimates of annualized cost to the Federal government.

There are no costs associated with this collection that will impact the Federal government. This budget information is required per DOE regulations, and would have been provided by the applicants regardless. Additionally, without this OMB approved document, the submissions are inconsistent, irregular, and in varying formats, which requires more time for Federal employees to read through. Hence, the use of a standard Budget Justification will save the Federal government money.

However, if a cost estimate is required, the Federal employees using this document will require approximately 2/3rds of the time required by the public (24 hours) which implies 16 hours per Federal employee, per award. There are approximately 250 Federal employees across the DOE EERE complex using this document. These employees are roughly evenly divided between GS-12 and GS-13 personnel. These personnel are located in the Washington, DC and Denver, CO metro areas. The fully burdened average hourly wage for GS 12 and GS 13 employees between Denver, CO and Washington, DC is \$83.08 [(\$75.90 + \$90.25)/2].

The fully burdened average hourly wage for a GS 12 employee is \$75.90 [(\$74.91 + \$76.88)/2].

- o The fully burdened average hourly wage of a GS-12 employee in Denver, CO is \$74.91, (\$46.82 * 1.6).
- o The fully burdened average hourly wage of a GS-12 employee in Washington, DC is \$76.88, (\$48.05 * 1.6).

The fully burdened average hourly wage for a GS 13 employee is \$90.25 [(\$89.07 + \$91.42)/2].

- o The fully burdened average hourly wage of a GS-13 employee in Denver, CO is \$89.07, (\$55.67 * 1.6).
- o The fully burdened average hourly wage of a GS-13 employee in Washington, DC is \$91.42, (\$57.14 * 1.6).

EERE processes approximately 400 financial assistance awards per year, hence, the estimated annual cost to the Federal government for using this information collection instrument would be \$531,712.00 [\$83.08/hr. x 16 hrs. x 400 awards]. The Budget Justification format reduces Federal burden and labor costs by streamlining the review and approval process and employing only one standard budget document as opposed to the myriad individual budgets provided by each applicant. By employing the standard Budget Justification document, Grants and Cooperative Agreements can be awarded in a much more efficient and timely manner.

A.15. Reasons for Changes in Burden

Explain the reasons for any program changes or adjustments reported in Items 13 (or 14) of OMB Form 83-I.

There have been no program changes nor any adjustments since the last OMB renewal / review cycle of the Budget Justification (2018), however the total cost burden has increased due to the inflation of salaries over the last three years.

Table A3. ICR Summary of Burden

	Requested	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Previously Approved
Total Number of Responses	400	N/A	0	400
Total Time Burden (Hr.)	9,600	N/A	0	9,600
Total Cost Burden	\$566,880	N/A	\$190,560	\$376,320

A.16. Collection, Tabulation, and Publication Plans

For collections whose results will be published, outline the plans for tabulation and publication.

The information collected is not intended to be published.

A.17. OMB Number and Expiration Date

If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

EERE is not seeking approval to not display the expiration date for OMB approval of this information collection.

A.18. Certification Statement

Explain each exception to the certification statement identified in Item 19 of OMB Form 83-I.

There are no exceptions to the certification statement.