

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. Additionally, this request covers 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 were adjustments to the burden estimates. In 2015, the Department estimated a combined total of 2,704 respondents and 189,280 burden hours. Due a 35% decrease in 2019 appropriations the Department revised the estimates to a combined total of 1,758 respondents and burden hours of 123,060. In 2021, DOT had an increase in funding by 67%, therefore the estimated revised combined total of 2,936, respondents and burden hours 205,510. The estimated cost to respondents and the federal government has increased the 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: In 2021, DOT funded approximately \$99 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 as well as U.S. Department of Health and Human Services (HHS) via www.grants.gov. Ninety-nine percent (99%) of the forms are submitted electronically. SF-424 is submitted through 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 regarding the process identified in item 2.

5. Efforts to minimize the burden on small businesses.

The information requirements pertain 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 March 21, 2022 (87 FR 16084, 16084-16085) soliciting comments from the public on this information collection. No comments were received. The 30- Day notice in the Federal Register was published on June 2, 2022, (87 FR 33580, 33580-33581).

9. Payment or gifts to respondents.

The information collection does not include payment or gifts to respondents.

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 2,936 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 \$25.58 adjusted by an overhead rate of 33%, this provides an average hourly rate of \$34.02. This was used for both grantee and Federal costs.
- The number of respondents used is based on historical data from grantee respondents and the labor. 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

| | Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards | <u>Total</u> |
|----------------------------|--|---------------------|
| # of Respondents | 2,936 | 2,936 |
| Frequency | Quarterly | Quarterly |
| Burden per Respondent | 70 | 70 |
| Total Annual Burden | 205,520 | 205,520 |
| Annual Costs to Respondent | \$6,991,790 | \$6,991,720 |

Total # of respondents is: 2,936 grantees

Estimated # of responses: 11,740

Quarterly: $11,740 \div 4 = 2,936$

Estimated Annual Burden per respondent: 70 hours

Total Annual Burden Hours: 205,520 (2,936 respondents x 70 annual hours per respondent)

Data was captured from DOT's USAspending.gov concerning the number of grant awards and the associated monetary activity. Since the 2021 submission, DOT has maintained grant activity. Therefore, using 2021 as a baseline 2,936 the 2021 burden rate (205,520) reflects grant 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 increase is based on the number of recipients obtaining awards and combining the four information collections approved in 2019.

13. Estimate of the total annual costs burden.

Total Annual Cost to Respondents: \$6,991,790 (2,936 respondents x 70 annual hours per respondent x 34.02)

The hourly rate was estimated for a Federal GS-9, step 5 (\$25.58) adjusted by an overhead rate of 33%, which provides an average hourly rate of \$34.02. 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: \$9,984,870 (11,740 responses x 25 hours x \$34.02 hourly rate).

There are no additional costs to the Federal Government.

15. Explanation of the program change or adjustments.

The Department's revision from 2019, is a result of the increase in the hourly rate for GS 9 Step 5 from \$32.12 to \$34.02 and the increase in appropriated funds. Since the 2019 submission, the Department determined that the number of respondents and burden hours have been increased. In 2019, the Department estimated a combined total of 1,758 respondents and a combined total of 123,060 burden hours. In 2021, the estimated combined total of 2,936 respondents and a combined total of 205,520 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 |
| Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards | 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 |
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