

SUPPORTING STATEMENT

A. JUSTIFICATION

1. Need for the Information Collection.

Agencies, in consultation with OMB, agreed that having applicants for grants and cooperative agreements self-disclose if they were corporate entities with recent felony convictions or current Federal tax delinquencies was the best way to exercise due diligence to comply with the intent of provisions in several agencies' FY 2012 appropriations acts that preclude use of funds to enter into awards with such entities.

The information collected will be representations that an applicant for a DoD grant of cooperative agreement will submit with its application (SF 424) to indicate whether it is a corporation that has either a felony conviction or Federal tax liability that would make it ineligible to receive a DoD award based on FY2012 appropriation provisions.

DoD has provisions of that nature in three FY 2012 appropriations acts that make funds directly available to its component departments and agencies for obligation—sections 8124 and 8125 of the Department of Defense Appropriations Act, 2012; sections 504 and 505 of the Energy and Water Development Appropriations Act, 2012; and section 514 of the Military Construction and Veterans Affairs Appropriations Act, 2012 (which are Divisions A, B, and H, respectively, of the Consolidated Appropriations Act, 2012, or Pub. L. 112-74). The text of those provisions is in Attachment 2 of draft guidance to DoD Components that is provided with this request for Paperwork Reduction Act clearance). There are identical or nearly identical provisions in the corresponding FY 2013 appropriations bills, so the need to require applicant's submission of representations to self-disclose is likely to be a longer term requirement than just the multiple years during which FY 2012 appropriations are available for obligation. It should be noted that these provisions affecting awards to "corporations" have greater impact on DoD grants and cooperative agreements than one might think if one associated "corporation" with "for-profit firm" because many universities, as well as university-affiliated research foundations and nonprofit organizations that perform under DoD assistance awards are incorporated.

2. Use of the Information

Currently, DoD awarding officials lack information needed to determine prior to awarding a grant or cooperative agreement that the intended recipient is not a corporation with a felony conviction or tax delinquency. The information will be used to remedy that deficiency. It will be collected by stating a requirement in program announcements for applicants to submit representations with their applications.

3. Use of Information Technology

Most DoD applicants use Grants.gov and will be able to attach the representation to their electronic application. Grants.gov uses the electronic SF 424 (OMB Control Number 4040-0004).

4. Non-duplication

The information for the purpose of this collection is not currently available.

5. Burden on Small Business

The burden on small businesses is minimal. The representation itself is not burdensome and applicants for DoD grants and cooperative agreements are predominantly universities and other nonprofit entities.

6. Less Frequent Collection

Less frequent collection could result in the Department using FY 2012 appropriations to enter into a grant or cooperative agreement with a corporation that has been convicted of a Federal felony within the past 24 months or has an outstanding tax liability.

7. Paperwork Reduction Act Guidelines

Given that the delinquent status of an entity's tax debt changes over time, collection of the representation with each application—rather than quarterly—is appropriate, as well as cost-effective (creating a central repository for information received from an entity by one DoD awarding office, to make it available for all other DoD awarding offices that may be considering an application from the same entity, would be a very costly undertaking without commensurate value). The collection is consistent with all other guidelines delineated in 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

The Department is submitting this request for emergency approval, after which it will submit a Federal Register notice to provide a 60-day opportunity for public comment and follow the normal process for Paperwork Reduction Act clearance.

9. Gifts or Payment

There will be no payment or gifts to respondents, other than later payments to reimburse programmatic expenditures under awards to successful applicants.

10. Confidentiality

The information collected will be protected in the same manner as other information contained in applications for grants and cooperative agreements. However, if any of the information provided requires consideration of suspension or debarment, the suspension and debarment official will handle that information in accordance with suspension and debarment policies and procedures.

11. Sensitive Questions

The questions are not of a sensitive nature.

12. Respondent Burden, and its Labor Costs

NUMBER OF RESPONDENTS	2,500 entities that submit applications
RESPONSES PER RESPONDENT	One response for each application submitted, so the number of responses per respondent varies depending upon the number of applications that each respondent elects to submit to DoD
NUMBER OF ANNUAL RESPONSES	15,000 (based on the total number of applications per year)
TIME PER RESPONSE	5 minutes
ANNUAL BURDEN	1,250 hours
COST PER RESPONSE	\$4.32 (based on work year of 1,928 hours and estimated cost per work year of \$100,000)
ANNUAL COST TO RESPONDENTS	\$65,000 for 15,000 responses (an average of approximately \$26 per entity per year)

13. Respondent Costs Other Than Burden Hour Costs

- a. There are no capital or start-up costs for respondents.
- b. There are no operation and maintenance costs for respondents.

14. Cost to the Federal Government

The Federal Government in collecting or processing the information collected will incur no annualized costs because awarding offices will compile and use the information in an integral way with their established methods for processing applications under programs using grants and cooperative agreements.

15. Reasons for Change in Burden

The change in burden is due to the new statutory provisions described in A.1.

16. Publication of Results

The results of the information collection will not be published.

17. Non-Display of OMB Expiration Date

Approval to omit display of the expiration date is not requested.

18. Exception to “Certification for Paperwork Reduction Submissions”

There are no exceptions to the certification of compliance in Item 19.a of OMB FORM 83-1.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.