

**2020**  
**SUPPORTING STATEMENT**  
**OMB Control No. 0572-0138**  
**7 CFR 1783, Revolving Fund Program**

A. JUSTIFICATION

**1. Explain the circumstances that make the collection of information necessary.**

This package is being submitted under a regular clearance as a request for extension of a currently approved collection. The estimated number of applicants remains 4 based on a historical average for the program. The total burden hours are estimated to be 376 hours. On May 13, 2002, the Farm Security and Rural Investment Act of 2002 (Farm Bill) was signed into law as Public Law 107-171. Section 6002 of the Farm Bill amended the Consolidated Farm and Rural Development Act (CONACT), by adding a grant program to establish a revolving loan fund (RFP). The Secretary may make grants to qualified private, non-profit entities to establish a revolving loan fund. The loans will be made to eligible entities to finance predevelopment costs of water or wastewater projects, or short-term small capital projects not part of the regular operation and maintenance of current water and wastewater systems.

**2. 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.**

The information required in this collection is utilized by the Rural Development State offices and Rural Utilities Service (RUS) Water and Environmental program National Office staff to determine eligibility for the grant program and monitor performance of ongoing grants. Nonprofit organizations applying for the Revolving Fund Program grant(s) must submit an application, which includes an application form, narrative proposal (work plan), various other forms, certifications, and supplemental information. The Rural Development State Offices and the RUS National Office staff will use the information collected to determine applicant eligibility, project feasibility, and the applicant's ability to meet the grant and regulatory requirements. Failure to collect proper information could result in improper determinations of eligibility, improper use of funds, or hindrances in making grant(s) authorized by the Revolving Fund Program.

**WRITTEN RESPONSES APPROVED WITH THIS PACKAGE:**

~~**Form RD-400-1, "Equal Opportunity Agreement" (Form approved under 0575-0018).**~~

~~This certification prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year, from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin. The certification also requires Government contractors to take~~

~~affirmative action to insure equal opportunity is provided in all aspects of their employment.~~

~~**Form – RD-400-4, “Assurance Agreement” (Form approved under 0575-0018).**~~

~~This certification assures RUS the recipient is in compliance with and will continue to comply with Title VI of the Civil Rights Act of 1964. In accordance with that Act and the program specific regulations, the recipient agrees that any program or activity for which the recipient receives Federal financial assistance, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.~~

~~**Form AD-1048 – Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Transaction (OMB 0505-0027)**~~

~~The form will be signed by applicant’s suppliers, auditors, contractors, etc., and retained by applicant in their files.~~

**Written - Work Plan Narrative**

Applicants will provide a written work plan that will demonstrate the feasibility of the Intermediary’s lending program to meet the objectives of the Revolving Fund Program. The work plan will document the Intermediary's ability to administer and service the revolving fund; document the Intermediary's ability to commit financial resources under the control of the Intermediary to the establishment of the revolving fund; demonstrate a need for loan funds; include specific loan purposes for lending the revolving funds; and provide a set of goals, strategies, and anticipated outcomes for the Intermediary's program. The applicant should submit a narrative establishing the basis for any claims that it has substantial expertise in making and servicing loans.

**Written - Budget Justification**

The budget justification demonstrates how the funds will be spent and provides details for proposed expenditures, calculations of costs, and explanations of unusual lines in the budget. It discusses how the budget supports the proposed project activities and explains how each budget item is essential to achieving project objectives. RUS uses this information to evaluate the cost effectiveness of the project and the adequacy of funding to carry out the activities of the project. The information will also be used to evaluate a grant recipient’s request for payments.

**Written - Balance Sheets and Financial Statement (Latest Financial Information)**

Applicants will provide a pro forma balance sheet at start-up and projected balance sheets for at least 3 additional years; financial statements for the last 3 years, or from inception of the operations of the Intermediary if less than 3 years; and projected cash flow and earnings statements for at least 3 years supported by a list of assumptions showing the basis for the projections. The projected earnings statement and balance sheet must include one set of projections that shows the revolving fund only and a separate set of projections that show the proposed Intermediary organization's total operations. RUS uses this information to assess the financial capabilities and to help determine if the applicant is financially viable to complete the proposed of work plan.

### **Written - Legal Authority and Responsibility**

The applicant must submit certified copies of organization documents and a certified list of directors and officers as evidence of the applicant's legal existence and authority for the proposed project. The organizational documents can be charters, bylaws, or articles of incorporation. RUS uses the information to determine if the applicant has the proper authority to enter into a binding agreement to use grant funds.

### **Written - Evidence of Tax Exempt Status**

To be eligible to receive a grant under this program the applicant must be a non-profit organization that has been granted tax-exempt status by the Internal Revenue Service (IRS) of the United States. RUS uses this information to ensure that the applicant meets the eligibility criteria mandated by law.

### **~~Form AD 1047 - Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions (OMB 0505-0027)~~**

~~USDA regulations published at 7 CFR Part 3017 implement the government-wide debarment and suspension system for USDA's non-procurement transactions. Applicants for TAT and SWM grants are required to provide certification under these regulations.~~

### **~~Form AD 1049 - Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - for Grantees Other Than Individuals (OMB 0505-0027)~~**

~~USDA regulations published at 7 CFR Part 3017 implement the Drug-Free Workplace Act of 1988, which requires that grant recipients agree that they will maintain a drug-free workplace. Applicants are required to provide certification under these regulations.~~

### **Written - Grant Agreement**

The Grant Agreement is the official grant instrument between RUS and the Revolving Fund grant recipient. It outlines the terms and conditions of the grants, including each party's obligations and remedial authorities available for nonperformance.

### **Written - Project Performance Report**

As part of the grant agreement signed by the recipient, a narrative progress report is required to be submitted on a quarterly basis to ensure that government funds are being used for the approved purposes set forth in the work plan submitted by the grant recipient to the Agency. The project performance report summarizes the project's progress for the quarter and includes information needed to support expenditures claimed for the quarter. The last quarterly report may serve as the final report and must be submitted within 90 days of the project end date. RUS uses this information to monitor performance, ensure schedules are met, projected work is accomplished, and objectives are achieved. The project performance report meets the requirements of 2 CFR Part 200, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations."

### **Written - Audit**

An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures. All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law.

**Written - Financial Statements**

If the organization expends less than \$750,000 in Federal financial assistance per fiscal year, it may be eligible to submit financial statements in lieu of an audit, which include at a minimum a balance sheet and an income and expense statement. Stakeholders can use Forms RD 442-2, “Statement of Budget, Income and Equity,” and 442-3, “Balance Sheet,” or similar format to provide the financial information. The financial statements must be signed by the appropriate borrower official. RUS will review the information and determine if a grant recipient must submit an audit in accordance with statutes and programmatic requirements.

**Written - Statement of Compliance**

To assure compliance with Title VI of the Civil Rights Act of 1964, the applicant must provide a narrative of how they plan to notify eligible entities of the availability of the service being provided.

**Written - Evidence of Financial Management System**

Applicant must provide evidence that a financial management system is in place or proposed. RUS uses the information to determine if the applicant will be able to adequately account for federal funds expended.

**Written - Documentation of Assistance Provided to Rural Development Employees**

Borrowers must sign a form that indicates whether or not they provided assistance to any Rural Development employees. The purpose of this form is to ensure high standards of honesty, integrity, and impartiality is maintained by Rural Development employees.

**FORMS APPROVED UNDER OTHER PACKAGES:**

**[Form AD 1047 - Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions \(OMB 0505-0027\)](#)**  
**[USDA regulations published at 7 CFR Part 3017 implement the government-wide debarment and suspension system for USDA’s non-procurement transactions. Applicants for TAT and SWM grants are required to provide certification under these regulations.](#)**

**Form AD-1048 - Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exc(OMB 0505-0027) lusion - Lower Tier Transaction**

The form will be signed by applicant's suppliers, auditors, contractors, etc., and retained by applicant in their files.

**Form-AD 1049 - Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - for Grantees Other Than Individuals (OMB 0505-0027)**  
USDA regulations published at 7 CFR Part 3017 implement the Drug-Free Workplace Act of 1988, which requires that grant recipients agree that they will maintain a drug-free workplace. Applicants are required to provide certification under these regulations.

**Form - RD-400-1, "Equal Opportunity Agreement" (OMB 0575-0018).**

This certification prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year, from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin. The certification also requires Government contractors to take affirmative action to insure equal opportunity is provided in all aspects of their employment.

**Form - RD-400-4, "Assurance Agreement" (OMB 0575-0018).**

This certification assures RUS the recipient is in compliance with and will continue to comply with Title VI of the Civil Rights Act of 1964. In accordance with that Act and the program specific regulations, the recipient agrees that any program or activity for which the recipient receives Federal financial assistance, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

**Common Form - SF- 424, "Application for Federal Assistance" (Common form approved under 4040-0004).**

Applicants use this common form as a required cover sheet for applications submitted for the Revolving Fund Program grants. The application is an official form required for all Federal grants and requests basic information about the applicant and the proposed project. This common form is submitted as part of the application.

**Form - SF-424A, "Budget Information--Non-Construction Programs" (Common form approved under 4040-0006).**

Applicants project costs and expenses for the grant project. The form also provides information on matching funds. This form is submitted as part of the application.

**Form - SF-424B, "Assurances--Non-construction Programs" (Common form approved under 4040-0007).**

Applicants read and sign this form to indicate the organization's intent to comply with the laws, regulations, and policies to which a grant is subject. This form is submitted as part of the application.

**Form - SF 270, “Request for Advance or Reimbursement” (Common form approved under 4040-0012).**

Grant recipients will submit SF 270 for disbursement of grant funds. RUS uses it to approve the disbursement. The use of this form complies with 2 CFR part 200.

**Form - SF 425, “Federal Financial Report” (Common form approved under 4040-0014).**

Grant recipients must report the status of grant funds on SF-425 on a quarterly basis. The use of this form complies with 2 CFR part 200. The project performance report summarizes the project’s progress for the quarter and supports expenditures claimed.

**Form - SF-LLL, “Disclosure of Lobbying Activities” (Common form approved under 4040-0013).**

For grants over \$100,000, applicant must certify that no Federal appropriated funds will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan and the extension, continuation, renewal amendment, or modification of any Federal contract, grant or loan.

**3. 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, and the basis for the decision for adopting this means of collection.**

RUS is committed to meeting the requirements of E-Government Act, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible. Grant applications for this program can be submitted either by U.S. Mail or electronically via Grants.gov.

This application process requires multiple types of forms, with the prefixes AD, RD, and SF, as well as supporting documents and certifications. The standardized forms are uploaded into Grants.gov and available to any applicant that applies through that platform. The forms can be reviewed, signed, and submitted directly through Grants.gov. Certain documents and certifications are required as a part of this process that are not standardized, such as the Work Plan/Narrative. Guidance on how to complete the forms is readily available through Grants.gov, and the non-standardized documents may be submitted electronically with the application.

While RUS is working towards a fully electronic application process, recognizing that some RUS applicants may not be able to utilize the fully electronic platform, the standardized forms are also available electronically in fillable, printable format. The forms are available through the RD/RUS website or the USDA Service Center eforms locator link at <https://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>.

Government-wide (AD and SF) forms may also be retrieved through the Office of the Chief Information Officer at [.http://www.ocio.usda.gov/policy-directives-records-forms/forms-management/approved-computer-generated-forms](http://www.ocio.usda.gov/policy-directives-records-forms/forms-management/approved-computer-generated-forms) HYPERLINK "http://www.ocio.usda.gov/policy-directives-records-forms/forms-management/approved-computer-generated-forms"

a.

[http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm)\ <https://www.bls.gov/news.release/pdf/ecec.pdf>


a.

b.

1

---

1