

# Understanding Standard Form 424

*By Henry Flood*

If you decide to apply for a grant from a federal funding source, you will encounter several standard forms that collectively comprise the agency application kit. In addition to filling out these standard forms, you will be asked to complete a few certifications and, of course, your proposal narrative.

All federal funding sources are required to use these standard forms. However, some agencies may make additions or modifications to the forms in order to accommodate special circumstances. For example, the Public Health Service and the National Institutes of Health are authorized to use forms which are derived from the standard forms, but which reflect the special attributes of health research projects.

The universal one-page “cover sheet” application for federal assistance is Standard Form 424. This form serves several functions. When you sign it, your proposal becomes an official proposal offer and your signature binds you to all terms and conditions associated with the particular funding source. SF 424 also collects basic background information on the applicant, the proposed project, funding source data, amount of funding sought, and state clearinghouse requirements.

SF 424 can be deceptively easy to complete. But because it’s the first thing that reviewers will read, it’s important to fill it out correctly and not treat it as some perfunctory exercise. What you say in SF 424 can color the way a proposal reviewer treats your whole project—and ultimately whether or not you get funded.

## **Submission Data (Blocks 1-4)**

Are you filing an application or a pre-application? Is your funding request for construction or non-construction activities? These are the questions posed by Block #1. Most of the time you will check that you are filing an application for either construction or non-construction project funding.

What are pre-applications and why do some federal funding sources use them? A pre-application is simply a preliminary request for federal funding assistance. Sometimes a pre-application is optional; sometimes it is required.

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Pre-applications are most often required by agencies that award construction grant funding and by agencies whose non-construction programs are highly competitive.

For example, the Economic Development Administration (a sub-agency within the U.S. Department of Commerce) has very limited funding for its public works program. Pre-applications are used to screen out ineligible projects and projects that cannot meet EDA's strict job retention and job creation requirements. Once an applicant has made it through the pre-application stage, a full application is invited for funding consideration.

Another federal program that uses the two-step pre-application and application process is the Department of Education's Fund for the Improvement of Post-Secondary Education. Competition for this funding is extremely intense. Each year the Fund receives about 2,000 pre-applications. Of those received, about 150 will become applicants for new funding and another 150 will be successful continuation funding applicants invited to submit a full application.

Grantseekers always have the option to submit a pre-application to a potential funding source to determine if a project is eligible for funding consideration and to get comments on a proposed project. In these circumstances, the pre-application binds no one. Optional pre-applications are rarely used by grantseekers, however. Some federal agencies discourage their use or will refuse to review pre-applications, even though, according to government-wide policy, applicants are allowed to submit them.

Block #2 of SF 424 asks for the date that you submitted your application or pre-application to the federal agency that will review your funding request. It also asks for your own application identifier information. The date you enter will usually be the same date that appears in your transmittal letter to the federal agency. If you use special numbers or letters to identify or track your application, enter that information in the "applicant identifier" portion of Block #2 at the top right of SF 424. Otherwise, enter "N/A" (not applicable). If you use special letters or numbers to identify your application, enter that information at the top right in Block #2. An example might be CDD-2000-001, standing for the first application filed by the Community Development Department in the year 2000.

Block #3 of SF 424 asks you to enter the date that your application was submitted to the state and to insert the "state application identifier," if known. Block #3 relates directly to Block #16, which asks if your grant

application is subject to review by the state Executive Order 12372 process, popularly known as clearinghouse review. If your answer to the question in Block #16 is “No” or “Not Selected for Review,” then enter “N/A” in both sections of Block #3.

You must submit your application to the clearinghouse in your state if the program to which you are applying has been selected by the state for review, or if the project you are proposing is one that will (a) stimulate development; (b) have an impact on the environment; or (c) impact protected cultural or historical resources.

If you have determined that your application is indeed subject to the clearinghouse review process, enter the date that your application was submitted to the state in Block #3. If you know the “state application identifier” number, indicate that as well. If your submission to the state clearinghouse is concurrent with the submission date to the federal agency, you will not know this number. Simply enter “pending” in the block.

Some of the state clearinghouses require that construction and large development projects be submitted for clearinghouse review 30-45 days before submitting the formal application to the federal agency for funding consideration. In this circumstance you will enter the required advance date in Block #3 and the “state application identifier,” if it is known at the time you submit your application to the federal funding source.

Block #4, “Date received by federal agency,” is for federal agency use, to record when your application was actually received. Leave this block blank.

### **Applicant Information (Blocks 5-8)**

Block #5 asks for your organization’s legal name, the organizational unit submitting the application, address, and the name and phone number of the person to be contacted if there are questions about your application. If the applicant is a nonprofit organization, you might enter something like “South Florida Rehabilitation Council” in the space for legal name and “Division of Training and Outreach” for the organizational unit. If the applicant is a municipality, you might enter something like “City of Oakland” and “Department of Community Development.”

What address will you use and who will be the official contact? These may seem like routine questions, but they can be very important. For a small city

or local nonprofit organization, the agency address and name of the top administrative official would be inserted in these blanks. For large cities and community organizations, the address might be different, depending on whether grant functions are centralized or operating departments administer their own programs.

As for the designated contact person, it is best to enter the name and phone number of that person who is most knowledgeable about the application. Sometimes this person will be the proposal writer. Sometimes it will be the individual designated to manage the project, should it be funded.

Block #6 asks for your federal employer identification number. Most organizations have a federal tax identification number even if they have no employees. This number is of particular importance to the federal funding agency. Your organization name and tax identification number will be used to determine that the applicant is not a suspended or debarred organization and thus ineligible to receive federal grants, loans or contracts (see Block #17 of SF 424, discussed below).

What kind of applicant are you? There are 14 choices in Block #7, reflecting the broad range of organizations and individuals eligible to receive grants, loans or other forms of federal assistance profiled in the Catalog of Federal Domestic Assistance. Most of these categories are self-explanatory.

What type of application are you filing? You have three main choices: new, continuation and revision. A new application is one filed for the first time. Most applications fall into this category. Some agencies have multi-year funding authority. If your project will span two or more years, the second and subsequent years of your project will be classified as continuation funding and may bear the same federal project identification number (see Block #4 above).

After an award is issued, you may find it necessary to revise your original request. In Block #8 you are asked what kind of revision you are filing. There are five choices: increase award, decrease award, increase project duration, decrease project duration and other, which you must specify. The most common reason given for “other” is a change in project objectives or activities.

## Federal Agency and Project Summary Information (Blocks 9-13)

In Block #9 you must specify the name of the federal agency that will receive your application. Most often, you will list the main agency, such as Department of Education, Department of Housing and Urban Development or Department of Health and Human Services.

However, many of these agencies are so large that their sub-agencies actually award most of the grants. How should you respond when the awarding entity is a sub-agency? In some cases, you can spell out the main and sub-agency names within Block #9. In other cases, you will need to give the abbreviation of the main agency and spell out the full sub-agency name. Examples include: Department of Agriculture Rural Development Administration; HHS Public Health Service; HHS National Institutes of Health; Department of Justice Office of Justice Programs. Some grantmaking agencies will help you out by pre-printing this information on the SF 424 they supply.

Every authorized federal assistance program has a program title (e.g., "Brownfields Economic Development Initiative"; "Public Works"; "Rural Development Grants") as well as a unique program identification number, which you can ordinarily find in the Catalog of Federal Domestic Assistance (CFDA). This specific information goes into Block #10. Again, some agencies will help you out by pre-printing this information on their SF 424.

Why is this information important? Aside from the obvious need to maintain accuracy, you should know that the federal government keeps statistics on who applies to its authorized programs. Federal program award information is reported by CFDA program number and other descriptive categories to the Federal Assistance Award Data Center, which issues regular reports on federal agency awarding activity.

Block #11 of SF 424 asks you to provide a descriptive title for your proposal. This information will be treated like a mini-abstract of what your proposal is about. Here are some examples:

- *Watson Island Road Construction Improvements*
- *Miami River Brownfields Site Assessment and Remediation Activities*
- *Homeless Legal Service Assistance Program*
- *Rape Crisis Intervention Service and Outreach Program*
- *AIDS Research and Medicine Testing*

Block #12 asks what geographic areas will be affected by your project

activities. The range of descriptive choices might be neighborhood, county-wide, regional, state-wide or even national. Your impact description should be as specific and meaningful as the situation warrants. Some examples for answering Block #12 might be:

*Charleston County*  
*State of Washington*  
*Brightwood Neighborhood*  
*City of Pasadena*  
*Miami City portion of Empowerment Zone*

Block #13 asks when your project will start and end. That can be tricky, since you don't yet know if your project will get funded. A good rule of thumb is to select a start date that is 90-120 days following the submission of your application. The dates you enter are only estimates. If your project does get funded, the actual start date and end date will be determined by your grant agreement.

For example, if you submitted a proposal to a federal agency on April 1, 2000, your project start date might be August 1, 2000 and your end date might be July 30, 2001. This would provide enough time for the review and award process to run their course. Some agencies may take longer. Look carefully at your grant announcement or the grant application kit. Sometimes the funding source will give you specific advice regarding an optional or required starting date. If specific guidance is given, follow that advice.

### **Congressional Reporting Information (Block 14)**

Block #14 asks you to enter Congressional District information for you as applicant and for where the project will be implemented. Often, your answer will be the same for both. Sometimes the applicant and project Congressional District information will be different.

Why is this information important? When an agency is about to award its grants, the Congressional Affairs Office within the federal awarding agency will notify the Congressional offices you listed on the SF 424 a few days before the grant is officially announced. This pre-award notification gives your local representative an opportunity to send you a letter or make a courtesy call to announce the pending award.

How can you be sure that the Congressional District information you have

entered is correct? You can check with your local election board. You can look at your election map. You can call your local library. You can check one of the major Congressional directories, such as The Congressional Yellow Book or The Congressional Staff Directory. These reference books, which are published annually and updated every six months, can be found at most major academic and public libraries. There are also Internet sites that can be consulted to locate Congressional District information.

Once you have the correct information, how should it be entered into Block #14? Every state is broken down into Congressional Districts. California, the largest state, has 55. Some small states, such as Delaware, have only one. If you are located in Delaware, which has a single Congressional District, you would enter "Delaware At-Large."

### **Funding Information (Block 15)**

When you submit a grant proposal for funding consideration, you must not request a federal share amount that exceeds the maximum permitted by the grant announcement. You must also be careful not to request a federal share that exceeds your ability to complement with match share funding from all other sources available to you. The federal and all other shares of funding entered into Block #15(a-g) must not conflict with Standard Form 424A, "Budget Information for Non-Construction Programs" or Standard Form 424C, "Budget Information for Construction Programs" and your accompanying line-item budget and budget justification. Keep in mind that you must have a commitment letter or other official evidence that documents the source of all shares of project funding other than that listed as your federal requested amount (line 15a).

Even though Block #15 says that the figures you enter are "estimated funding," you must be careful about what you enter. Your request is never binding on a federal funding source. You might get the federal amount you requested, but often you will get less. Rarely if ever will you get more. What this means is that the numbers you enter at the time of your application will almost always be binding on you at the time of award.

Some agencies that use the two-step pre-application and application process will permit your budget to be revised at the full application stage. This tends to be true with agencies like the Environmental Protection Agency, the Rural Development Administration and the Department of Transportation, all of which award large construction grants where costs are subject to change due

to market and bid conditions. The bottom line in all of this is simply that you must do your budget homework carefully from the beginning.

What do the various “estimated funding” categories actually mean?

“Federal” (15a) refers to the actual amount of federal agency funding that you are seeking.

“Applicant” (15b) means the total cash and in-kind funding support that you have available to support the project that you are proposing to have funded by the federal funding source.

“State funding” (15c) means those cash funds or in-kind resources made available by a state in support of your project.

“Local” (15d) means those cash funds or in-kind resources made available by other local agencies, governments or groups in support of your project. For example, a city may apply for funding from the Corps of Engineers for river dredging funds. If a county is providing a portion of the cash funding, this amount would be included in line 15d. Similarly, if the applicant is a local nonprofit drug treatment center and a local government provides it with cash or in-kind resources as part of its shares of project funding, it will include the amount of this funding in line 15d.

“Other” (15e) means all funding not otherwise included in lines 15a-d. An example of “other” funding might be funds from a major foundation, such as the Ford Foundation, or a donation of cash or in-kind resources from an individual.

“Program income” (15f) is a special source of funding that will be generated because of the program you are proposing. Let us say that you have applied for grant funding to create and initially capitalize a revolving housing rehabilitation loan program. During the life of the authorized grant project, you will be charging modest loan application or loan origination fees. Let us further assume that during the two-year project period, \$10,000 will be generated in such fees. Those funds are considered program income. So you would include the \$10,000 on line 15f.

Keep in mind that different federal funding sources have different rules governing the use of project-generated program income. Some agencies will let you keep the money as long as you use it for the same project. Others will reduce your federal share of funding in proportion to the amount of program

income.

Now it's time to add up the shares of all estimated funding for your proposed project. Line 15g of Block #15 is the sum total of lines 15a–f. Again, the total you enter on line 15g must not conflict with the total of all shares entered on your project budget information page.

## **State Clearinghouse Review (Block 16)**

Block #16 asks if your application is subject to review by the clearinghouse review process in your state. We've already touched on this matter in discussing Block #3, dealing with application receipt by the state. Still, you should pay special attention to the questions in Block #16, since it is important to develop a good working relationship with the established clearinghouse in your state.

The staffing, professionalism and usefulness of this process varies widely from state to state. Some state clearinghouse operations are little more than paper handlers. Others are rigorously professional and enforce their procedures strictly when assessing state interest in what you project would do. California and Florida, for example, have detailed guides to their procedures and they are especially vigilant in their review of projects that are likely to have an impact on the environment.

How can you determine if your application must be sent to the state clearinghouse for review? To recap what we indicated earlier, you must submit your application to the clearinghouse in your state if the program to which you are applying has been selected by your state for review from among those federal programs listed in the Catalog of Federal Domestic Assistance as subject to state review, or if the project you are proposing is one that will (a) stimulate development; (b) have an impact on the environment; or (c) impact protected cultural or historical resources.

You do not have to submit your application for clearinghouse review if the federal program to which you are applying is exempt from clearinghouse review, or if the program is eligible for state review but not selected. It should be evident from this discussion that you must determine what the clearinghouse procedures are in your state to know your exact clearinghouse obligations.

## **Debt Delinquency (Block 17)**

Block #17 asks if the applicant is “delinquent on any federal debt.” Most of the time, you will answer “No” to this question. If you have answered “Yes,” you must attach an explanation. Sometimes, a particular organization or individual may owe the federal government money and not be current on payments. While this is an issue of no small consequence, certain federal agencies will still do business with you if your repayment arrangement is satisfactory.

However, if you as an individual or an organization are suspended or debarred from receiving federal contracts, grants or loans, don’t even think about applying for federal assistance. Remember Block #6, asking for your federal employer identification number? The federal name checking process is designed to screen out ineligible individuals and organizations.

## **The Signature Block (Block 18)**

Block #18 contains a certification in boldface type that is part of what is often called the “signature block.” When you sign and date your pre-application or application, you are affirming that the entire content of your grant proposal is true, that the governing body of your organization has authorized the filing of the grant application, and that your organization will comply with any assurances included as part of your application.

Most local governments and many nonprofits include an authorizing resolution in their applications. This is a good practice and removes all doubt about filing authorization. Some governments and nonprofits do not require resolutions for filing an application but do require a resolution or ordinance to accept a grant once it is awarded. In these circumstances, it is best to have your mayor, city manager or executive director explain this prominently in your transmittal letter.

Type the name of your authorized signer on line 18a. On line 18b type the signer’s official title. On line 18c type the signer’s telephone number. Line 18d is for the authorized signer’s signature. The date of signing is placed on line 18e.

Here is some important advice about signing. Always have at least one original and two sets of your applications signed before the production copies

are made. Make your production sets from one of the extra originals rather than from the master original. If that extra original is damaged in production, you can still complete production of your application from one of the two remaining originals.

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