THE SUPPORTING STATEMENT

ACF - 696 CHILD CARE AND DEVELOPMENT FUND (CCDF) FINANCIAL REPORTING FORM

A. Justification.

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.

The Administration for Children and Families (ACF) is authorized to collect and report the information requested under this form by the Child Care and Development Block Grant Act of 1990, as revised. Implementing regulations at 45 CFR 98.64 and 98.67 indicates that the Secretary shall require financial reports as necessary.

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.

State agencies with approved State plans for implementation of the CCDF program report the data on a quarterly basis. The form provides specific data regarding claims and provides a mechanism for States to request grant awards and certify the availability of State matching funds. Failure to collect this data would seriously compromise ACF's ability to monitor expenditures. This information is also used to estimate outlays and may be used to prepare ACF budget submissions to Congress.

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. Also describe any consideration of using information technology to reduce burden.

ACF has developed a forms database that allows electronic data entry for the ACF-696 over the internet. In addition, an electronic copy of the ACF-696 form is available via the internet and, upon request, via a diskette or e-mail attachment.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

Information collected in this report is/will not be available through any other Federal source. No similar available information has been identified.

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

This form applies only to State and Territorial governments. Small businesses are not involved.

6. 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 reduce burden.

Financial management of the program would be seriously compromised if the expenditure data in the form were collected on a less than quarterly basis. Federal policy presumes the strictest controls on funding documentation in support of State claims for reimbursement.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:
· Requiring respondents to report information to the agency more often than quarterly;
· Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
· Requiring respondents to submit more than an original and two copies of any document;
· Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
· In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
· Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
· That includes a pledge of confidentiality that is not supported by authority established in statue or 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
· 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.

No special circumstances are noted for this request for information collection.

8. 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 5 CFR 1320.8 (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 by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency 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 reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records, should occur at least once every 3 years - even if the collection of information activity is the same as in prior period. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

The ACF's notice soliciting comments on the information collection was published in the Federal Register on October 16, 2006 at 71 FR 60730. A second notice was published on February 21, 2007 at 72 FR 7891. The notice was distributed to ACF Regional Offices who were invited to share the notice with States and Territories. ACF Regional Offices have ongoing discussions with States and Territories about the ACF-696 and financial reporting requirements. In response to the Federal Register notice, ACF received no comments from the public.

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

No provision for payment or gift to respondents applies to this collection.

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

There are no data collected that require confidentiality.

11. 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 the agency 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.

Data collected are not of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statement should:

· Indicate the number of respondents, frequency of the response, annual hour burden, and in explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally,

estimates should not include burden hours for customary and usual business practices.

· If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-1.

· Provide estimates of annualized cost to the respondents for hour burdens for collection 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 in Item 13.

Total respondents of 56 with a total of 4 annual responses at 5 hours per response equals a total of 1,120 annual hours requested. Assuming the value of respondents' time is $25 an hour, the estimated cost is $28,000 (1,120 total hours X $25.00). Burden hour estimates were made using past experience with the formerly approved form.

13. Provide an estimate of the annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any burden shown in Items 12 and 14.)

· The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collection information such as' purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

· If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

· Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to Oct 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, or (3)

for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

No additional costs should be associated with this collection that are not contained in questions 12 and 14.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13 and 14 in a single table.

The cost to the Federal Government includes the initial printing and distribution costs of approximately $100.00. ACF estimates that approximately 1,600 hours are required for the analysis and review of the form. At an estimated hourly cost of $25, the total analysis cost to the government is $40,000. Estimated total cost to the Federal Government is $40,100.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-1.

The number of responses is increasing from 4 to 224 the result of an adjustment.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates and other actions.

There is no plan to publish information collected as a result of this form.

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

We will display the expiration date on the form.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-1.

We are not aware of any exceptions to the certification statement identified on Item 19.

B. Collection of Information Employing Statistical Methods

Statistical methods are not included in this collection of information.