

**HHS Payment Management System Forms  
Paperwork Reduction Act Submission  
Supporting Justification**

**A. Justification**

This supporting statement is completed and submitted in accordance with 5 CFR 1320. The purpose of this submission is to request the extension of the existing Request for Advance or Reimbursement form and Federal Cash Transactions Report (both forms consolidated under OMB approval No. 0937-0200) which expire on September 30, 2007.

1. Circumstance of Information Collection

Treasury regulations at 31 CFR part 205 and OMB Circulars A-102 and A-110 require advances of Federal funds to be scheduled as closely as possible to the grantee's disbursement needs, and payment methods should allow for monthly, bi-weekly or more frequent payments in support of this requirement.

The PSC-270 (formerly PMS-270), Request for Advance or Reimbursement form meets this Treasury requirement. The SF-272 (Federal Cash Transactions Report) is the OMB approved method for Government-wide cash management reporting by grantees. In addition, Treasury Regulations require timely reporting of Federal cash disbursements and Federal cash balances.

The PSC-272 form used by the Department of Health and Human Services (HHS) Division of Payment Management (DPM) is consistent with OMB Circulars A-102 and A-110 on standardized reporting. The PSC forms are designed to provide essential cash management information, assist the grantee in meeting accountability requirements, and ensure compatibility between data in the Payment Management System (PMS) operated by DPM and the grantee organization's records. The authorizing legislation for this clearance is the US Public Health Service Act, (42 USC 301).

2. Purpose and Use of Information

The PSC-270 form is used monthly by approximately 210 grantees to obtain grant funds and is used in lieu of the SF-270.

The computerized PSC-272 form is utilized quarterly by approximately 22,240 grantees of grant awards from HHS and other Federal agencies that are paid through DPM. The PSC-272 is used in lieu of the SF-272 to monitor advances to grantees and to obtain disbursement data for each grant award from the grantee.

3. Use of Improved Technology

The DPM utilizes an automated version of OMB's SF-270 and SF-272 and the optional schedules are computer generated with more than 90 percent of the required data preprinted for the grantee's convenience. The forms and schedules materially assist the grantee community in communication with DPM without imposing additional burdens because virtually no action is required by the grantees. Our automated features are consistent with the guidelines established in OMB Circulars A-102 and A-110 which allow Federal agencies to provide computer outputs to grantees when this action will facilitate accurate and timely report preparation. The burden for some large universities and state agencies has decreased as DPM allows a file download of the disbursement data to our electronic PSC-272 system. We expect the burden hours to continue to decline in the future as we continue to expand our electronic funds transfer payment methods to additional grantee organizations by offering more grantees electronic reporting capabilities for the PSC-272. This allows grantees to access the forms via a computer and transmit directly to DPM.

#### 4. Efforts to Identify Duplication

When a grantee submits its PSC-270, Request for Advance or Reimbursement, to request funds, it is processed after it has been determined that it is not a duplicate request for funds. In addition, similar data is not available on the current SF-270.

The SF-272 is an OMB approved method for government wide cash management reporting by grantees. The PSC-272 report is available electronically to grant recipients. Only one copy of the PSC-272 certification page must be completed and returned to DPM. The use of our computer-based form prevents duplication. If a grantee fails to file the PSC-272, it cannot draw additional funds until the form is completed and uploaded.

#### 5. Impact on Small Entities

Not applicable.

The PSC-270 is used by grantees to obtain grant funds. The PSC-272 form is used to monitor federal cash advances to grantees and obtain Federal cash disbursement data. It involves State, local and tribal governments, profit and nonprofit businesses and institutions receiving grants from HHS and other Federal agencies.

#### 6. Consequences if Information is collected Less Frequently

Not applicable.

The grantees submit the PSC.-270 whenever they need funds for their grants, usually monthly. The PSC-272 is an OMB approved form and grantees are required to submit the form at the end of each quarter.

## 7. Special Circumstances

The only special circumstance applies to the frequency of submission of the PSC-270. Federal requirements contained in OMB Circulars A-102 and A-110 provide that recipients may request funds at least on a monthly basis when electronic funds transfer is not used. Therefore, since this form is used to obtain funds to cover expenses, it may be submitted more frequently than quarterly. There are no special circumstances relating to the use of the PSC-272 which is submitted on a quarterly basis in accordance with Federal requirements.

## 8. Federal Register Notice and Consultation outside the Agency

The 60-day notice soliciting comments was published in the Federal Register on, June 29, 2007, Vol. 72, No. 125, page 35710. Since the PSC-272 implements the SF-272 and meets the requirements of OMB Circulars A-102 and A-110 for cash management, there have been limited efforts in recent years to formally consult with persons outside the agency and grantees completing the form. However, as part of our conversion to electronic reporting, we have had informal discussions with large enrollment size universities and State organizations on possible modifications to accommodate electronic capabilities. These suggestions, focusing on possible format changes, are being studied on an ongoing basis. There are no unresolved issues.

## 9. Payment to Respondents

Not applicable.

No payments of gifts are provided to respondents other than funds available through grant awards.

## 10. Assurance of Confidentiality

The forms are mailed and sent electronically to DPM by the grantee organizations. They do not contain any confidential data, and they are stored in DPM files and in DPM storage areas.

## 11. Justification for Questions of a Sensitive Nature

Not applicable.

The questions/information required on the forms are not of a sensitive nature.

## 12. Estimates of Annualized Hour Burden Hours and Costs

The PSC-270 form is used monthly by approximately 210 grantees to obtain grant funds from DPM. The established average time required to complete the form is 15 minutes.

The estimate is based on information received from grantees through discussions with recipient organization contacts during the normal course of business with DPM.

The PSC-272 form is used by approximately 22,240 grantees of grant awards that are paid through DPM. The PSC-272 is available electronically. It is substantially complete (over 90 percent) with data from our automated files. Grantees provide the requested data each quarter. The time required for completion of this form varies, depending upon the total grants and contracts awarded each recipient. For example, a large university may have more than 1,500 grants and contracts while a small grantee may have but one or two grants. However, most large organizations have automated systems, which tend to decrease the time necessary to complete the forms. The average grantee has approximately 30 grants and will spend about three hours completing the forms. The estimated average time required to complete the forms is three hours. This estimate was obtained through informal discussions with DPM contacts at grantee organizations responsible for forms completion. A significant amount of time should not be required to gather and compile data to complete the reports since the grantees' financial management systems must meet prescribed OMB standards for receiving Federal grants. As a result, the data should be readily available from the respondents' books and records.

Form Name	No. of Respondents	Average No. of Responses Per Respondent	Average Burden Hours Per Response (in hours)	Total Response Burden Hours
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PSC-272	22,240	4	3	266,880
PSC-270	210*	12	15/60	630
<b>TOTAL</b>	22,240			267,510

\*Note: the total respondents for the PSC-270 are also PSC-272 respondents.

The estimated annual cost to respondents is \$4,603,847.

Form	Total Response Burden Hours	Rate*	Total Cost
SF-272	266,880	\$17.21	\$4,593,004.80
SF-270	630	\$17.21	\$10,842.30
<b>TOTAL</b>	267,510		\$4,603,847.10

\*Bureau of Labor Statistics data, private industry average hourly earnings March 2007

However, it should be pointed out that this figure is considerably **LESS** than what the estimated costs would be to respondents, if the Standard Forms were used in lieu of the automated DPM forms.

If the **SF-272** were used in lieu of the PSC-272 form, a SF-272 would be required for each grant issued to a respondent. As a result, some of the large Universities would be required to complete over 1,000 individual SF-272's each quarter. On the other hand, the PSC-272 form consolidates all grants to a grantee organization under one account at DPM. In turn, the grantees are only required to submit one PSC-272 form each quarter for all of their grants.

### 13. Estimates of Annualized Cost to Respondents/Recordkeepers

Grantees are required to meet certain Federal standards for financial management systems. As a result, the data requested should be readily available from the respondents' accounting system. Therefore, other than the cost described above, we do not estimate any additional costs to the respondents.

### 14. Estimates of Annualized Costs to the Federal Government

As indicated, the PSC-270 and PSC-272 forms are used in lieu of the SF-270, Request for Advance or Reimbursement and SF-272, Federal Cash Transactions Report. As such, they do not have any additional costs to the Government. Printing costs for the PSC-270 are approximately \$3,500 annually. The PSC-272 is an electronic form, there are no printing costs associated with this form.

### 15. Changes in Burden

The 267,510 estimated annual burden hours for the use of these forms is a 46,530 hour increase from the previously approved burden estimates. This increase is a program change due to the increased number of respondents placed on payment restriction in order to allow the awarding agencies to monitor drawdown activity. In addition, the number of respondents utilizing the Payment Management System has increased since the previously approved burden estimates.

### 16. Plans for Tabulation and Publication and Project Schedule

The data will not be published.

### 17. Expiration Date Display Exemption

Not applicable.

### 18. Exception to Certification Display

Not applicable

**B. Collections of Information Employing Statistical Methods**

Not applicable.

Statistical methods cannot be used. Grantees must submit the Report to DPM.