

USDA, Food and Nutrition Service
Supporting Statement for OMB No. 0584-0080
Issuance Reconciliation Report, Form FNS-46

The U.S. Department of Agriculture’s Food and Nutrition Service (FNS) administers the Food Stamp Program (FSP) in cooperation with State and local governments. Section 7(d) of the Food Stamp Act of 1977, as amended, (the Act) (7 U.S.C. 2016(d)), requires State agencies to report on their Food Stamp Program (FSP) benefit issuance operations not less than monthly, through a reconciliation process and to report to FNS using Form FNS-46, Issuance Reconciliation Report.

The Form FNS-46, Food Stamp Program Issuance Reconciliation Report, is a program management report tool for the analysis of the issuance of food stamp benefits. This monthly report is used to account for benefits issued during a report month for each issuance reporting point, and to document the reconciliation process by which States compare the total issuance, returns, and unauthorized issuance amounts resulting in the net Federal obligation.

Justification

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

The need to collect information is established under the Act at Section 7(d) requires State agencies to report on their FSP benefit issuance operations not less than monthly. States are held strictly liable by Section 7(f) of the Act, for any financial losses involved in the

issuance of FSP benefits. Section 11(a) of the Act, requires State agencies to assume responsibility for the issuance and accountability of program benefits.

Regulations at 7 CFR 274.4 require State agencies to account for all issuance through a reconciliation process and to report to FNS using Form FNS-46, Issuance Reconciliation Report. Regulations at 7 CFR 276.1 make State agencies responsible for preventing losses or shortages of Federal funds in the issuance of benefits. Regulations at 7 CFR 276.2 hold State agencies strictly liable for any financial losses, thefts, and shortages that occur during issuance of benefits unless otherwise specified in regulations. This section also holds State agencies strictly liable for over-issuances resulting from Electronic Benefit Transfer (EBT) system errors and unauthorized EBT account activities.

2. Indicate how, by whom, and for what purpose the information is to be used.

State welfare agencies (or county welfare agencies under the oversight of the State) certify eligibility of food stamp program applicants and provide benefits to households. FNS oversees the operation of State welfare agencies to ensure compliance with Federal law and regulations. States issue the benefits using various systems and report issuance amounts to FNS by completing electronic or paper FNS-46 reports.

The FNS-46 report is a program management report which is used on an ongoing basis to document the reconciliation process by which State agencies compare all issuances made during the month to the record for issuance. The record-for-issuance is then compared

with the master issuance file. Findings from this comparison shall be reported on the Form FNS-46.

The FNS-46 is used as a management tool used for the analysis of other problems in the issuance of Program benefits that are not liabilities of the State agency but are indicators of administrative problems. The FNS-46 report also enables State agencies to identify other acts of fraud and/or waste so that corrective action can be taken. The data from the FNS-46 report is also used for reports to Congress, to establish State issuance liabilities, and to determine national performance measures for Quality Control.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques.

FNS is committed to complying with the E-Government Act, to promote the use of Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

The collection of information is performed at the State and county levels. State agencies have the authority to use information technology that best suits the needs of their individual or unique systems of operations to comply with this information collection. Consequently, the electronic reporting is voluntary, not mandatory. FNS strongly encourages electronic reporting, but at this time, it is an option not a requirement.

In May 2005, FNS completed information system modifications, replacing the outdated Food Stamp Program Integrated System (FSIISP) with the Food Program Reporting System (FPRS). Beginning in June 2005, State agencies were allowed to submit the FNS-46 data electronically to FNS in lieu of submitting a paper report (off-line).

As of June 2007, approximately 45 State agencies (or 83 percent of the respondents) submitted the FNS-46 data electronically and nine State agencies (or 17 percent of the respondents) submitted paper (off-line) reports.

4. Describe efforts to identify duplication.

The information collected on the FNS-46 is unique to FNS and is not available from other sources.

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

This information collection does not adversely impact small business or other small entities. Information collected is limited to what is necessary to comply with statutory provisions and to protect program integrity without imposing undue burden on respondents.

- 6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently.**

State agencies are required to complete and submit Form FNS-46 on a monthly basis within 90 days from the end of the report month. We expect a 100 percent response rate. Failure to respond constitutes a violation of program regulations and the Act for which State agencies may be sanctioned. Only a change to legislation would authorize less frequent reporting.

- 7. Explain any special circumstances that would cause an information collection to be conducted in a manner that is inconsistent with 5 CFR 1320.6.**

There are no special circumstances that would require information collection to be conducted in a manner that is inconsistent with 5 CFR 1320.6.

- 8. Provide a copy and identify the date and page number of publication in the Federal Register. Describe efforts to consult with persons outside the agency or consultation with representatives of those from whom information is to be obtained.**

A 60-day notice was published in the Federal Register on April 25, 2007, at 72 FR 20500. No public comments were received in response to this notice.

FNS consulted with Regional Offices and State agencies to ascertain the estimated amount of administrative staff time that is needed each month to perform the information collection functions, utilizing the on-line and off-line reporting methods.

9. Explain any decision to provide any payment or gift to respondents.

We do not provide any payment or gifts to the respondents for their submission of data or information collection.

10. Describe any assurance of confidentiality provided to respondents.

Section 11 (e)(8) of the Act mandates that each State agency provide safeguards which limit the use or disclosure of the administration or enforcement of the provisions of the Act, regulations issued pursuant to the Act, federal assistance programs, or federally assisted State programs. The information collected by the State agency to be reported on Form FNS-46 does not identify participants by name.

11. Provide additional justification for any questions of a sensitive nature.

There are no sensitive questions included in this submission.

12. Provide estimates of the hour burden of the collection of information.

Burden estimates associated with Form FNS-46 are based on the number of reporting points (54 State agencies). Respondents submit Form FNS-46 monthly (12 times per year). This submission is based on the average monthly reporting unit burden estimates of 8 hours, per respondent, derived from consultation with regional and State agency personnel. Thus, the estimated burden is 5,184 hours annually for all respondents.

A. Indicate the number of respondents, frequency of response, annual hour burden and an explanation of how the burden was estimated.

Burden estimates associated with the FNS-46 report are determined from information maintained in FPRS and are based on the number of respondents. As of Fiscal Year (FY) 2006, there were 54 respondents. Of this number, 53 States agencies have one reporting point; however, New York has two reporting points (Upstate NY counties and New York City). Each reporting point in New York submitted the FNS-46 report differently. As a result of the two different reporting methods used by the State and city, New York is counted twice, resulting in a total of 54 respondents.

Based on this information, the estimated annual burden is as follows:

Affected Public	(a) Description of Collection Activity	(b) Form Number	(c) No. Respondents	(d) No. Responses Per Respondent	(e) Total Annual Responses (cxd)	(f) Hours Per Response	(g) Total Burden (exf)
Reporting							
State Agency	Issuance Reconciliation Report	FNS-46	54	12.00	648.00	8.00	5,184.00
	Total Burden Requested		54	12.00	648.00	8.00	5,184.00
	Total Burden Currently Approved		96		1,152.00		9,216.00
	Difference		-42		-504.00		-4,032.00

B. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.

The information collection will be performed most likely by State government staff. For an hourly cost estimation, we went to the Bureau of Labor Statistics (BLS) website (http://www.bls.gov/oes/current/naics4_999200.htm#b43-0000),a and used the May, 2006, data available from the National Industry-Specific Occupational Employment and Wage Estimates for State Government. Within this group, we further used the Standard Occupational Classification code number 43-3031 - Bookkeeping, Accounting and Auditing Clerks (<http://www.bls.gov/oes/current/oes433031.htm#nat>). Based on this data, the mean hourly wage estimate was \$15.28. This wage amount was used as our basis for computing total annual cost burden to the respondents, as it is the most current data provided by the BLS.

The total annual burden hours = 5,184 hours x \$15.28 per hour = \$79,211.52, less the 50% Federal reimbursement rate, for an estimated annual cost to the public of \$39,605.76 (\$79,211.52 x 50 percent).

- 13. Provide estimates of the total annual cost burden to respondents or record keepers resulting from the collection of information (do not include the cost of any hour burden shown in items 12 and 14). The cost estimates 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.**

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

- 14. Provide estimates of annualized cost to the Federal government.**

Federal costs equal the amount of Federal Financial Participation for FSP administrative costs paid to State agencies for this work. The reimbursement rate is 50 percent of the State agency costs. The total annual burden hours = 5,184 x \$15.28 per hour = \$79,211.52 less the 50 percent Federal reimbursement rate, for an estimated annual cost to the Federal Government of \$39,605.76 (\$79,211.52 x 50 percent).

A GS-12 will take an average of 80 hours per year to process the FNS-46 for a cost of \$2,800.80. (GS-12/5 @ \$36.26 an hour x 80 hours = \$2,800.80).

Total cost to the Federal Government = \$42,406.56

15. Explain the reasons for any program changes or adjustments.

This is a revision of a currently approved collection. The estimated total annual burden hours associated with this ICR is 5,184 hours. This is a decrease of 4,032 hours from our previous approved 9,216 hours. This decrease is due to an adjustment due to State agencies consolidating their issuance reconciliation points from multiple locations (96) to a single location (54). The exception is New York, which has two: (1) New York State (i.e., all Upstate NY counties) and (2) New York City).

16. For collection of information whose results will be published, outline plans for tabulation and publication.

There are no plans for tabulation and publication of this collection of information.

17. Approval to display or not display the OMB expiration date for the information collection.

The Agency is seeking approval not to display the expiration date of the information collection because it is impracticable, and not cost effective to the Agency to pay printing expenses which will be incurred on a continuous basis due to an expired form.

18. Explain each exception to the certification statement identified in item 19.

There are no exceptions to this certification statement.

Collection of Information Employing Statistical Methods

This collection does not use any statistical methods.