

**SUPPORTING STATEMENT**  
**FOR PAPERWORK REDUCTION ACT SUBMISSION**

**A. Justification**

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

**Response:** The collection of this information is needed in order for the Payment Analysts to review and process the institutional payment request for TIV funds.

Section 487(c) of the Higher Education Act (HEA) of 1965 as amended requires that the Secretary prescribe regulations to ensure that any funds postsecondary institutions receive under the HEA are used solely for the purposes specified in and in accordance with the provision of the applicable programs. The concept of this federal gatekeeping has a long history, originating in 1952. However, as a result of abuses by institutions in the Title IV programs, the HEA amendments of 1992 significantly increased ED's gatekeeping responsibilities.

Title 34: Part 668—Student Assistance General Provisions (see attached), Subpart K—Cash Management (§668.161) establishes the rules and procedures for a participating institution to request, maintain, disburse and manage Title IV program funds.

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.

**Response:** School Participation Management (SPT) (which is the organization within the Department of Education, Federal Student Aid) reviews and analyzes the information reported on the PMS 270 form and makes a determination on the institution's request. The information provided on the form is used to process and pay TIV funds to the institution. Actual Use of Information from current collection: Identification of program funds for payment, the period covered by the request for funds and cash on hand.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision of adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

**Response:** The new proposed form (Standard Form 270) submitted for OMB clearance can be completed and sent in electronic format if the institution has digital signature. We are estimating that approximately 20% of the institutions will have digital capability. If the institution does not have digital signatures in place, the form can be completed electronically, printed and signed and sent in hardcopy format with the payment package for processing.

The use of this form electronically will reduce the institution's burden because the Institution completes one form (the old form requires the institution to complete a separate PMS 270 form for each TIV program for each award year for which funds are requested and two (2) certification statements.

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

**Response:** Three forms were modified and combined resulting in one (1) form to reduce duplication. Old forms had duplicate information when certifying.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

**Response:** Small entities can complete one form for all TIV programs program for each award year for which funds are requested instead of a separate form for each TIV program.

6. Describe the consequences 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 reducing burden.

**Response:** If the collection is not conducted, institutions will not receive their Title IV 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;

**Response:** Institutions can submit and our office will accept and process only one HCM2 or Reimbursement request during any 30-day time period.

requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

**Response:** N/A

requiring respondents to submit more than an original and two copies of any document;

**Response:** This office only accepts originals.

requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;

**Response:** Documentation in the submission will not be returned. Therefore, the Department strongly recommends that the institution maintain a copy of the HCM2 submission. Federal Student Aid's Department-wide record retention policy is located within the Department of Education's Records Disposition Schedules (ED/RDS), Part 10. Part 10, 15a (Annual Request for Funds and Payment Records) Disposition: TEMPORARY. Dispose of 5 years after final payment or after audit, whichever is sooner.

in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;

**Response:** N/A

requiring the use of a statistical data classification that has not been reviewed and approved by OMB;

**Response:** N/A

that includes a pledge of confidentiality that is not supported by authority established in statute 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

**Response:** N/A

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.

**Response: N/A**

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.

**Response:** The applicable federal register notices will be published and any comments received addressed.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instruction and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

**Response: N/A**

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 periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

**Response: The Department has contact with the institutional officials completing the form but no indication of problems with the form has been noted.**

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

**Response: N/A**

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

**Response:** An institution receives a letter when placed on Reimbursement or HCM2. Section III.A. of the enclosure to the letter in the Method of Payment internal procedures provides information concerning Protection of Personally Identifiable Information for the institutions.

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. The 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.

**Response: N/A**

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

The statement should :

Indicate the number of respondents, frequency of response, annual hour burden, and an 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.

**Response:**

Hour Burden of Collection

34 CFR Requirement	Number of Respondents Reporting Annually	Frequency of Response	Annual Reporting/Response	Hours Required to Collect and Report	Total Hours
<b>668.162 (d) (Reimbursement Method of Payment)</b>	1	12	12	4	48
<b>668.162 (e) (Heightened Cash Monitoring 2 Method of Payment)</b>	264	12	3,168	4	12,672
<b>TOTAL</b>					<b>12,720</b>

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-I.

**Response: N/A**

Provide estimates of annualized cost to respondents of the hour burdens for collections 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 not be included in Item 14.

**Response:**

Wage Rate:

Position	Wage Rate	Cost Per Hour
Professional Staff (Financial Aid Director)	\$62,800	\$30

**Annualized Cost for Collection of Information**

34 CFR Requirement	Number of Respondents Reporting Annually	Cost per Institution	Total Burden
<b>668.162 (d) (Reimbursement Method of Payment)</b>	1	\$1,440	\$1,440
<b>668.162 (e) (Heightened Cash Monitoring 2 Method of Payment)</b>	264	\$380,160	\$380,160
Total Hour Burden of Collection Information			\$381,600

- Provide an estimate 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.)

**Response:** There is no cost burden to respondents or recordkeepers resulting from the information collection other than 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 collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

**Response: N/A**

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 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.

**Response: N/A**

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

Total Annualized Capital/Startup Cost : \_\_\_\_\_  
Total Annual Costs (O&M) : \_\_\_\_\_  
Total Annualized Costs Requested : \_\_\_\_\_

**Response: N/A**

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.

34 CFR Requirement	Number of Institutions Reporting Annually	Hours Required for ED Review	Total Hours	Average Hourly Wage	Cost per CFR Requirement
<b>668.162 (d) (Reimbursement Method of Payment)</b>	1	5	5	\$40	200
<b>668.162 (e) (Heightened Cash Monitoring Method of Payment)</b>	264	7	1848	\$40	73,920
Total Cost for ED' review of the Payment Submission					\$74,120

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

This collection is new, therefore all burden is new.

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.

**Response:** Information is not expected to be published.

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.

**Response:** The Department will display the expiration date for the OMB approval on the form, as required.

18. Explain each exception to the certification statement identified in Item 20, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

**Response: N/A**

## **B. Collection of Information Employing Statistical Methods**



The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on Form 83-I is checked "Yes," the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed:

1. Describe the potential respondent universe (including a numerical estimate) and any sampling or other respondent selection method to be used. Data on the number of entities (e.g., establishments, state and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.

**Response: N/A**

2. Describe the procedures for the collection of information, including:
  - ? Statistical methodology for stratification and sample selection.
  - ? Estimation procedure.
  - ? Degree of accuracy needed for the purpose described in the justification.
  - ? Unusual problems requiring specialized sampling procedures, and
  - ? Any use of periodic (less frequent than annual) data collection cycles to reduce burden.

**Response: N/A**

1. Describe methods to maximize response and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.

**Response: N/A**

2. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.

**Response: N/A**

3. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other persons who will actually collect and/or analyze the information for the agency.

**Response: N/A**