

JUSTIFICATION STATEMENT
Grant Accrual Surveys of Federal Transit Administration (FTA) Grantees

A. Justification

1. Circumstances that make the collection necessary.

The Federal Transit Administration (FTA) is required by the Department of Transportation (DOT), Office of the Secretary (OST), and the Federal Accounting Standards Advisory Board (FASAB) guidelines to estimate and record accrued liability and expenses in its financial statements. The accrual is intended to reasonably estimate all grantee expenses incurred but not yet requested for payment from FTA at the end of the accounting period. In order to develop its grant accrual methodology and validation process, FTA must collect information from the grantees regarding their billing cycle (the number of days that have elapsed from the time grantees incur cost to the time they request payment from FTA) and payment request patterns for various FTA programs.

FTA would like to conduct a survey of a sample of large and small grantees to get an estimate of the amount owed its grantees at the end of each accounting period. Data from the survey will be used to determine the grantees' average billing cycle for various FTA programs and projects and the amount payable to the grantees at the end of the accounting period.

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

Based on the information received from a sample of grantees, FTA will calculate a reasonable grant accrual liability estimate that will be included in its financial statements. This will meet the requirements of the financial statements audit and the Chief Financial Officer (CFO) Act.

3. Describe whether collection of information involves information technology and any consideration of using information technology to reduce the burden.

The survey of grantees will be conducted via e-mail. Grantee responses will also be received via e-mail or by fax.

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

There is no other reasonable method of estimating grant accrual liability that is acceptable to the CFO financial statement auditors other than using information obtained directly from grantees.

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

Since the requirements are minimal and are not burdensome, no special methods are used for small businesses or other entities.

6. Describe consequences to federal program or policy activities if information were not collected or collected less frequently, as well as any technical or legal obstacles to reducing burden.

The CFO financial statement audit opinion for DOT will be negatively impacted if FTA is unable to collect the grant accrual information from the grantees. The FY 2008 audit report included a significant deficiency for FTA's grant accrual because it was unable to collect this information.

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

The information collection requirements are consistent with 5 CFR 1320.6.

8. Describe efforts to consult with persons outside the agency to obtain their views.

A 60-day Federal Register notice was published on December 19, 2008. No comments were received from this notice. The 30-day Federal Register notice was published on March 19, 2008. During FY 2007, FTA consulted the FASAB on grant accrual methodology.

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

No payment or gift is made to respondents.

10. Describe any assurance of confidentiality provided respondents.

Any information obtained from the survey will be maintained by FTA. All information is certified to comply with the Freedom of Information Act, the Privacy Act of 1974 and Office of Management and Budget (OMB) Circular A-108. All outreach extended by FTA to elicit customer response will emphasize the agency's priority to protect individual privacy.

11. Additional justification for any questions of a sensitive nature.

No sensitive information will be collected.

12. Estimates of the hour burden of the collection of information and annualized cost to respondents.

The cost for each survey is calculated as follows:

Number of Respondents	Frequency of Response	Hour Burden per Response	Total Annual Hour Burden
50	1	15 Hour	750

Estimated Hourly Cost of Preparing Response: \$50.00

Total Estimated Cost to Respondents: \$37,500

The cost per hour is an estimated average composite rate, which varies widely depending on the size of the particular agency.

13. Estimate of total annual cost burden to respondents or record keepers resulting from the collection of information (not including the cost of any hour burden shown in items 12 and 14).

There is no additional cost beyond that shown in items 12 and 14.

14. Estimate of annualized cost to the Federal Government.

The survey will be conducted via e-mail with questions entered into the database by government staff and analyzed by FTA staff. The total estimated cost to the federal government is \$37,500.

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

This is a new information collection. There are no changes.

16. Plans for tabulation and publication for collections of information whose results will be published.

FTA does not plan to publish the results of the information collected for statistical use. FTA will use the results only for its financial statement audit.

17. If seeking approval not to display the expiration date for OMB approval, explain the reasons.

There is no reason not to display the expiration date of OMB approval.

18. Explain any exceptions to the certification statement identified in Item 19 of OMB Form 83-1.

No exceptions are stated.

B. Collection of Information Employing Statistical Methods

1. Universe and respondent selection

A sample of 50 grantees out of a population of 1,178 grantees will be selected and surveyed to determine the grantees' expenses incurred, but not yet requested for reimbursement by FTA. The 50 grantees, which will include 30 large and 20 small transit agencies, will be selected to represent a sample of the payment pattern (drawdown) frequency appropriate to each grantee category.

The 50 grantees selected will account for approximately 70 percent of all active obligations as of September 30, 2007. The sample will be selected from decreasing obligation values (larger obligations would represent large metropolitan grantees that request grant payments frequently and with each decreasing obligation value; the represented grantee would be smaller and would request grant payments less frequently) to reflect grantee bill processing cycles.

2. Procedures for collecting information

Survey questionnaires will be sent via e-mail to the 50 selected grantees. The survey will request grantees to provide information such as the grantees' billing cycle days; the grantees' audited fiscal-year-end accrued grants receivable and project description.

3. Methods to maximize response

FTA's goal is to attain a 100 percent survey response rate. There will be a general FTA announcement for the upcoming survey. It will include FTA's intention to repeat it possibly every year. It will identify the purpose of the survey and request grantee cooperation.

FTA does not intend to offer special incentives to complete the survey. FTA expects the data derived from the survey to be reliable because it is being sent to agency general managers and other senior-level officials. The questions are straightforward and easy to answer.

4. Test of procedures:

FTA's grant accrual estimate is calculated using the overall weighted average number of billing cycle days obtained from the grantees' survey responses. The calculated weighted average number of billing cycle days will reflect the three major program element categories (New Starts and Fixed Guideway, Formula and Bus) and account for large and

small grantee populations. The billing cycle number of days determined for each cost category will be applied to one year's historical grant payment data for the period October 2006 to September 2007, to determine the estimated grant accrual liability.

5. Contacts for statistical aspects and data collection

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