

## 2009 - SUPPORTING STATEMENT

0572-0023

7 CFR Part 1744, Subpart C, Advance and Disbursement of Funds - Telecommunications

**This is an extension of a currently approved information collection.**

### A. Justification

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

Section 201 of the Rural Electrification Act (RE Act) of 1936 authorizes the Administrator of the Rural Utilities Service (RUS) to make loans for the purpose of providing telephone service to the widest practicable number of rural subscribers. Title VI, Rural Broadband Access, of the RE Act authorizes RUS to provide loans and loan guarantee to fund the cost of construction, improvement, or acquisition facilities and equipment for the provision of broadband service in eligible rural communities.

RUS Form 481, "Financial Requirement Statement," must be submitted by the borrower to request loan advances. A supplemental sheet to Form 481 (a continuation sheet) may be used by borrowers needing additional space. The Form 481 is used by RUS to record and control transactions in the construction fund. Upon receipt of the Form 481 and its accompanying documents complying with provisions of 7 CFR part 1744, subpart c, the Government, within a reasonable amount of time, will make and advance to the borrower a sufficient amount for the purposes specified in the statement of purposes. The borrower must immediately deposit all advanced money into a Special Construction account until disbursed.

#### 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.

RUS Form 481 is prepared and submitted to RUS by a borrower in order to have approved loan funds advanced. Included as a part of each Financial Requirement Statement (FRS) is an accounting for previous advances and other funds deposited in the Construction Fund Account. Disbursements are classified and reported by budget purposes. Along with the Form 481 the borrower must also submit the following:

- a. A description of the advances desired (this generally consists of a one paragraph attachment to the Form 481). This is used to determine what projects the contracts listed on the Form relate to;

- b. Other information related to the transactions (listed on the Form 481) when required by RUS. This would include copies of backup documentation relating to the transactions listed on the Form 481. This additional information is only required in about 20 percent of the responses where it is needed to verify that the funds advanced are related directly to loan purposes; and
- c. On occasion, more funds may be required than are available in a budget account. In this case the borrower would need to request RUS' approval of a budget adjustment to use funds from another account. The request shall include an explanation of the change, the budget account to be used, and a description of how the adjustment will affect loan purposes.

This Form constitutes certification by the borrower that the amount of funds requested is for approved budget purposes and that the money will be deposited in a Construction Fund – Trustee Account in a Federal Deposit Insurance Corporation (FDIC) insured bank.

After review of the Form 481 and finding that everything is in order, the Agency electronically notifies the Deputy Chief Financial Officer (DCFO) in the Agency's Finance Office in St. Louis, Missouri, that the borrower is due an advance of funds. DCFO performs the necessary accounting functions and directs the Treasury Department to make a wire transfer in the appropriate amount.

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.

At this time RUS requests approval to place an electronic copy of this form on the RUS website. An excel version of the form is available so that borrowers can enter in information to complete the form electronically. A PDF version is also available on the website. The form must be signed by the borrower and sent to Washington, DC, office. RUS is committed to meeting the requirements of the E-Government Act, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible.

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.

Each loan advance is for a new purpose, so there is practically no chance for duplication and also no existing data available. This information is also unique to each borrower. Much of the information is collected and analyzed by any prudent business in the course

of its operations. Whenever possible, RUS merely requires copies of information the borrower has prepared for another purpose.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-1), describe any methods used to minimize burden.

RUS Form 481 has been designed to be simple, clear, concise, and easy to complete and is submitted by the borrower on an “as needed basis.” The data needed to supply the information is readily available from the borrower’s records. RUS field staff is available to consult with and assist borrowers in preparation of the material. The Agency feels that it has designed the form to minimize the impact on small businesses.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

If the information from Form 481 were not collected, RUS would not have any control over how loan funds are spent or a record of the balance to be advanced and; therefore, no assurance of RE Act purposes being accomplished. Since Form 481 is submitted only when an advance of approved loan funds are needed, less frequent collection is not possible either.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

a. Requiring respondents to report information more than quarterly.

There is no requirement to respond more than quarterly.

b. Requiring written responses in less than 30 days.

There is no requirement for a response in less than 30 days.

c. Requiring more than an original and two copies.

There is no requirement for more than an original and two copies.

d. Requiring respondents to retain records for more than 3 years.

There are no such requirements.

e. That is not designed to produce valid and reliable results that can be generalized to the universe of study.

This collection does not involve a survey.

f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.

This collection does not involve statistical sampling.

g. Requiring a pledge of confidentiality.

There is no requirement for a pledge of confidentiality.

h. Requiring submission of proprietary trade secrets.

There is no requirement for submission of proprietary trade secrets.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. 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, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

As required by 5 CFR 1320.8(d), a Notice to request comments was published on May 27, 2009, at 74 FR 25214 (attached). No public comments were received.

RUS maintains close contact with borrowers through its General Field Representatives (GFRs), field accountants, and headquarters staff. GFRs have direct personal contact with the borrower in connection with the fulfillment of RUS requirements and completing the Form 481. GFRs pass on any substantive comments to the headquarter's staff. RUS also conducts seminars for borrowers. Suggestions and comments are always considered by the Agency.

Ms. Jayne B. Callaway  
Operations Manager  
Wilkes Telephone and Electric Company  
P. O. Box 277  
Washington, GA 30673

(706) 678-9544

Ms. Callaway related that her company has used the Financial Requirement Statement (Form 481) extensively and expects to continue using it on a monthly basis for some time. The information necessary to process the Form 481 is readily available from the previous Form 481 and other information in the company's files. The ability to access an electronic version of the previous Form 481 online would improve the preparation of the next Form 481. Automating the entire requisition function would be a great improvement over the existing process.

Mr. Don Pittman  
CFO  
Smithville Telephone Company, Inc.  
P. O. Box 728  
Ellettsville, IN 47429 - 0728  
(812) 876-2477

Mr. Pittman said that he is familiar with the Financial Requirement Statement (Form 481) and he signs the forms, but the forms are actually prepared by his staff. Mr. Pittman arranged for Mr. Lou Eascardo of his staff to join the teleconference. All of the information to prepare the Form 481 is readily available. It probably takes from 1 to 2 hours to prepare the information and submit the Form 481. An automated system to prepare and submit the form to the Agency would be beneficial. They offered no other suggestions for improvement.

Mr. Kirby Smith  
CFO  
Calaveras Telephone Company  
P. O. Box 37  
Copperopolis, CA 95228  
(209) 785-2211

Mr. Smith related his extensive experience with the Financial Requirement Statement (Form 481). To fill out the Form 481 generally takes him about one-half hour. In his experience the material needed to fill out the Form 481 is generally available and the clarity of instructions and recordkeeping is generally adequate. With regard to automation of the Form 481, he believes that greater benefit would be derived from further modification of frequently used forms used in the contract administration system such as the Summary of Work Orders as (RUS Form 771).

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

No payment or gift has been provided to respondents.

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

There are no assurances of confidentiality provided to respondents

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

There are no questions of a sensitive nature.

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

A breakdown of the reporting requirements by section is indicated on the attached spreadsheet. The following is a summary of this information collection.

Regulation	Number of Respondents	Total Annual Reponses	Total Hours
7 CFR 1744-C	177	1,112	1,223

Cost to respondents is estimated as follows:

Budget Adjustment Request:

Collecting Data - .30 hr. X 105 responses X \$28 = \$ 882.00  
Preparation - .40 hr. X 105 responses X \$28 = \$ 1,176.00  
Typing - .20 hr. X 105 responses X \$16 = \$ 336.00  
Review - .10 hr. X 105 responses X \$42 = \$ 441.00

Form 481:

Collecting Data - .50 hr. X 445 responses X \$28 = \$ 6,230.00  
Preparation - .75 hr X 445 responses X \$28 = \$ 9,345.00  
Typing - .50 hr X 445 responses X \$16 = \$ 3,560.00  
Review - .25 hr X 445 responses X \$42 = \$ 4,672.50

Description of Advances:

Preparation - .10 hr X 445 responses X \$28 = \$ 1,246.00  
Typing - .15 hr X 445 responses X \$16 = \$ 1,068.00

Other information as requested:

Collecting Data - .5 hr X 118 responses X \$280 = \$1,652.00

Preparation	- .25 hr X 118 responses X \$28 =	\$ 826.00
Typing	- .15 hr X 118 responses X \$16 =	\$ 283.20
Review	- .1 hr X 118 responses X \$42 =	\$ 495.60
Mailing		\$ 1,300.00
Total Estimated Costs to the Respondents		\$33,513.30

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

(a) Total capital and start-up cost component (annualized over its expected useful life); and

There are no capital or start-up costs associated with this collection.

(b) Total operation and maintenance and purchase of services component.

There are no operation and maintenance or purchase of services costs associated with this collection.

14. Provide estimates of annualized cost to the Federal Government.

Annualized cost to the Federal Government is estimated as follows:

Budget Adjustment Request:

Review	- .3 hr X 105 responses X \$47.00 =	\$ 1,480.50
Clerical	.1 hr X 105 responses X \$20.00 =	\$ 210.00

RUS Form 481 and Description of Advances

Review	- .9 hr X 445 responses X \$47.00 =	\$18,823.5
Clerical	- .1 hr X 445 responses X \$20.00 =	890.00

Other Information:

Review	- .75 hr X 118 responses X \$47.00 =	\$ 4,159.50
Clerical	- .1 hr X 118 responses X \$20.00 =	\$ 236.00

Printing		\$ 750.00
Mailing		\$ 400.00

Total Estimated Cost to the Federal Government \$26,949.50

The costs used are based on a senior office engineer at \$47.00 per hour (GS 13, step 5) and a clerical at \$20.00 per hour (GS 6, step 5).

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

This is an extension of a previously approved collection.

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

There are no plans for publication.

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.

The Agency requests approval not to display the expiration date. Many RUS borrowers re-create this form using their own electronic solutions. Each time the expiration date changes, the borrowers do not know to update the expiration date. In addition, as the Agency moves toward providing its own electronic solution, possible software changes would be required to update the expiration date, which would expend additional Agency resources.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-1.

There are no exceptions to the certification statement.

B. Collection of Information Employing Statistical Methods.

This collection does not employ statistical methods.