

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

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Background

The U.S. Department of Agriculture's Food and Nutrition Service (FNS) administers the Supplemental Nutrition Assistance Program (SNAP) in cooperation with State and local governments. Section 7(d) of the Food and Nutrition Act of 2008, as amended, (the Act) (7 U.S.C. 2016(d)) and Regulations at 7 CFR 274.4(a) and 274.4(b)(2), require State agencies to report on their SNAP 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, Supplemental Nutrition Assistance 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.
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.**

This is a revision of a currently approved collection. The need to collect information is established under the Act at Section 7(d) requires State agencies to report on their SNAP benefit issuance operations. States are held strictly liable by Section 7(f) of the Act, for any financial losses involved in the issuance of SNAP 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 monthly 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, how frequently, 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.**

State welfare agencies (or county welfare agencies under the oversight of the State) certify eligibility of SNAP 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 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. Also, describe any consideration of using information technology to reduce burden.**

FNS is committed to complying with the E-Government Act of 2002, 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.

Currently all 54 State agencies (or 100 percent of the respondents) submitted the FNS-46 data electronically through the Food Reporting System (FPRS)

<https://fprs.fns.usda.gov/Home/Reminder.aspx>.

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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 above.

There is no similar data collection available. FNS solely monitors issuance of SNAP benefits. The information required for FNS-46 is not currently reported to any other entity outside of FNS. Every effort has been made to avoid duplication. FNS has reviewed USDA reporting requirements, state administrative agency reporting requirements and special studies by other government and private agencies.

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. Circumstances limit the flexibility in modifying the reporting requirements. FNS estimates that zero percent of our respondents are small entities.

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.

State agencies are required to complete and submit Form FNS-46 on a monthly basis not later than 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:

- **Requiring respondents to report information to the agency more often than quarterly;**
- **Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it:**
- **Requiring respondents to submit more than an original and two copies of any documents:**
- **Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **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**
- **Requiring respondents to submit proprietary trade secret, 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.**

There are no special circumstances that would require information collection to be conducted in a manner that is inconsistent with 5 CFR 1320.5.

- 8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, 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. 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, or reporting form, and on the data elements to be recorded, disclosed, or reported.**

A 60-day notice was published in the Federal Register on October 8, 2010 at 75 FR 62363. No public comments were received in response to this notice.

Each FNS Region has an EBT coordinator who works with EBT contacts in the States within their respective regions. During the spring of 2010, FNS used an informal collaborative approach with Regional Offices and State agencies to ascertain the estimated amount of administrative staff time needed each month to perform the information collection functions utilizing the on-line reporting methods. Each EBT coordinator contacted their respective State contacts either by phone or email to ask how much time the reporting process takes them. The form itself has not been changed, but

the move away from paper coupons to Electronic Benefit Transfer (EBT) increased electronic reporting which has reduced the amount of reporting time needed.

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

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 and the basis for the assurance in statute, regulation, or agency policy.

The Department will comply with the Privacy Act of 1974. 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 or any other personal identifiers.

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

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 including two in New York). Respondents submit Form FNS-46 monthly (12 times per year). This submission is based on the average monthly reporting unit burden estimates of 4 hours, per respondent, derived from consultation with regional and State agency personnel. Thus, the estimated burden is 2,592 hours annually for all respondents.

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

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) 2009, 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	4.00	2,592.00
Total Burden Requested			54	12.00	648.00	4.00	2,592.00
Total Burden Currently Approved			54		648.00		5,184.00
Difference			0		0		-2,592.00

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), and used the May, 2009, 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 \$32.42. 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 = 2,592 hours x \$32.42 per hour = \$84,032.64, less the 50% Federal reimbursement rate, for an estimated annual cost to the public of \$42,016.32 (\$84,032.64 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. Also, provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.**

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 = 2,592 x \$32.42 per hour = \$84,032.64 less the 50 percent Federal reimbursement rate, for an estimated annual cost to the Federal Government of \$40,162.32 (\$84,032.64 x 50 percent). There are no printing, distributing or warehousing costs; however, it is estimated that Federal staffing costs for this notice process totals \$9,459.00 based on 200 hours for the writer and 2 hours for the supervisor at the hourly rates of \$46.64 and \$65.53 respectively. In addition, the Federal cost to maintain and operate the FNS-46 form system itself totals \$129,717.50 annually.

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 are 2,592 hours. This program change resulted in a decrease from 5,184 to 2,592 due to the decrease in response time per respondent from 8 hours to 4 hours per respondent due to electronic submission rather than paper.

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. If seeking approval not to display the expiration date for OMB collection, explain the reasons that display would be inappropriate.

The Agency will display expiration date on forms.

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

“Certification for Paperwork Reduction Act.”

This collection does not include exceptions to the certification statement.