

Supporting Statement for
VA Form 21-4703, Fiduciary Agreement
(2900-0319)

A. Justification

1. VA's Fiduciary and Field Examination Program is responsible for carrying out a Congressional mandate that VA maintain supervision of the distribution and use of VA benefits paid to a fiduciary on behalf of a beneficiary who is determined to be incompetent by VA rating, minority, or finding of legal disability by a court of proper jurisdiction. Title 38 U.S.C. 5502(b) requires VA supervision over VA benefits paid to third-party payees on behalf of incompetent beneficiaries. There are two basic types of fiduciary relationships: court appointed and federal. VA Form 21-4703 is an agreement of the use of VA-derived funds by a federal fiduciary in accordance with the requirements of 38 CFR 13.57, 13.58, 13.61, 13.62, and 13.63. When completed by VA and signed by the federal fiduciary, it constitutes a legally binding contract.
2. This form is used as a legal contract between VA and a federal fiduciary. It outlines the responsibilities of the fiduciary with respect to the uses of VA funds. Due to its contractual nature, a violation of the stated terms may result in VA Regional Counsel initiating legal actions against the fiduciary.
3. VA Form 21-4703 is a legally binding contract. As such, it requires the original signature of the fiduciary. There is no practical way to reduce the reporting burden on the public and maintain the form as a legal contract through the use of currently available information technology systems.
4. This form serves a unique function in VA. There is no similar or duplicative form or function in this or any other agency.
5. The information collection involves some small businesses, but only to the extent that individuals or companies have incorporated, offer professional fiduciary services, and are recognized by VA as fiduciary for an individual VA beneficiary. There is no major impact on these entities.
6. This agreement is signed by the fiduciary only at the time of the initial appointment. If gathered less frequently, there would be no binding agreement to protect VA-derived funds.
7. There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines of 5 CFR 1320.6.

8. The Department notice was published in the Federal Register on July 2, 2012, on pages 39345-39346. VBA received three comments each on the requirement of the form. Specifically, the three comments expressed concern with the fiduciary's ability to act in the beneficiary's interest without significant prior approval from VA. VBA responded to each of these comments by agreeing to future modifications to the form.

9. No payments or gifts to respondents have been made under this collection of information.

10. The records are maintained in the appropriate Privacy Act System of Records identified as 58VA21/22/28, 'Compensation, Pension, Education, and Rehabilitation Records—VA' as set forth in Privacy Act Issuances, 1993 compilation found in 74 Fed. Reg. 117 (June 19, 2009).

11. There are no questions of a sensitive nature.

12. Estimate of Information Collection Burden.

a. Number of Respondents is estimated at 17,600 per year.

b. Frequency of Response is one-time.

c. Annual burden is 1,467 hours.

d. The estimated completion time of 5 minutes is based on review by staff personnel and previous usage of this form.

e. The total estimated cost to respondents is \$22,005 (1,467 hours x \$15 an hour).

13. This submission does not involve any recordkeeping costs.

14. Estimated Costs to the Federal Government:

a. Processing/Analyzing costs \$45,290

(GS-10/5 @ \$30.88 x 17,600 x 5/60minutes = \$45,290)

b. Printing and production cost \$1,056

c. Total cost to government \$46,346

15. There is no change in the reporting burden.

16. The information collection is not for publication or tabulation use.

17. The collection instrument, VA Form 21-4703, may be reproduced and/or stocked by the respondents and veterans service organizations. This VA form does not display an expiration date, and if required to do so would result in unnecessary waste of existing stocks of this form. This form is submitted to OMB every 3 years. As such, this date requirement would also result in an unnecessary burden on the respondents and would delay Department action on the benefit being sought. VA also seeks to minimize its cost to itself of collecting, processing and using the information by not displaying the expiration date. For the reasons stated, VA continues to seek an exemption that waives the displaying of the expiration date on VA Form 21-4703.

18. This submission does not contain any exceptions to the certification statement.

B. Collection of Information Employing Statistical Methods

The Veterans Benefits Administration does not collect information employing statistical methods.

