

Supporting Statement for Submission of Proof of Adequate Bonding

A. Justification

1. The Department of Veterans Affairs (VA), through its Veterans Benefits Administration (VBA), administers the Fiduciary Program. The Fiduciary Program provides oversight to VA beneficiaries who, because of injury, disease, the infirmities of advanced age, or minority are unable to manage their VA benefits. Congress authorized VA to require a prospective fiduciary to obtain a surety bond as a part of the certification process of a prospective fiduciary. VA is requiring fiduciaries to submit proof of adequate bonding with annual accounting to facilitate its oversight responsibility as mandated by Congress.
2. VA would not use a form to collect this information. The information request for AO53 is made by VA field fiduciary personnel. They make the request either verbally or by letter that informs the fiduciary to submit the original bond certificate or the contractual agreement between the fiduciary and the bonding company as proof of adequate bonding. The collection of information is required to fulfill VA requirements mandated by Congress, for oversight of fiduciaries.
3. This collection of information would not involve the use of automated, electronic, mechanical, or other technological collection techniques or other form of information technology.
4. This is a new collection of information. VA has no similar information already available that could be used for the collection of this information.
5. This collection of information would not impact small businesses or other small entities.
6. The VA Fiduciary Program would not be able to provide adequate oversight of certain fiduciaries appointed to receive VA benefits in excess of \$25,000 on behalf of a beneficiary without proof that surety bonds are in place to protect these funds.
7. There is no special circumstance requiring collection in a manner inconsistent with 5 CFR 1320.6 guidelines.
8. This information collection notice was included in a notice of proposed rulemaking published in the Federal Register on January 3, 2014, at 79 Fed. Reg. 430.
9. No payments or gifts to respondents have been made under this collection of information.
10. The records are maintained in VA's system known as Virtual VA. Any disclosures of information obtained in this collection are made pursuant to the provisions of the Privacy Act, 38 U.S.C. § 5701, and 38 U.S.C. § 7332.
11. There are no questions of a sensitive nature.

12. Estimate of Information Collection Burden.

- a. Number of Respondents is estimated at 10,000 per year.
- b. Frequency of Response is once per year
- c. The VA estimates that respondents will spend approximately 1 minute to mail the proof of bonding to the VA. Annual burden is 167 hours.
- d. The estimated additional burden is based on the estimated percentage of current fiduciaries required to obtain surety bonds.
- e. According to the U.S. Bureau of Labor Statistics Average Hourly Earnings, the median hourly earnings (all employees) of respondents is \$24. The total cost to the respondents is estimated at \$4,008 (167 burden hours x \$24 per hour).

13. This submission does not involve any recordkeeping costs.

14. Estimated Costs to the Federal Government:

a. Processing/Analyzing costs	\$12,282.00
GS- 10/5 @ \$30.88 x 10,000 x 1 minutes = \$5,147.00	
GS- 9/5 @ \$28.08 x 10,000 x 1 minutes = \$4,680.00	
GS- 3/5 @ \$14.73 x 10,000 x 1 minutes = \$2,455.00	
b. Printing and Production costs	\$0.00
c. Total Cost to the government	\$12,282.00

15. There are no program changes for adjustments.

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

17. This collection of information does not require a form.

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.