

SUPPORTING STATEMENT

FOR PAPERWORK REDUCTION ACT SUBMISSION

[ICR No. 2004.01] 1855-NEW - G5 System Post Award Budget Drawdown e-Form

Revised: 2/7/2014

A. Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a hard copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information, or you may provide a valid URL link or paste the applicable section. Please limit pasted text to no longer than 3 pages. Specify the review type of the collection (new, revision, extension, reinstatement with change, reinstatement without change). If revised, briefly specify the changes. If a rulemaking is involved, make note of the sections or changed sections, if applicable.**

Department staff is working on developing the post award functions of the electronic grant management system, G5. In response to grant monitors need for a better reporting mechanism for grantee budgets, the G5 team developed a new electronic budget form for grantees to complete. This new electronic form requires grantees to detail the budget categories from which they are expending funds in order for Department grant monitors to track more carefully the drawdowns and financial management systems of grantees. Although this form may be used by all grantees, at this time only grantees on cost reimbursement or route payment status will be required to use this form when reporting their budget, requesting funds, and accessing funds.

Current Department regulations sections §74.20-74.28 and §74.50-74.53 address the financial management and reporting requirements of grantees. The new form developed in G5 serves as the mechanism for grantees to report expenditures and track their spending in order to ensure compliance with Department regulations. The currently used budget form, the SF 524, is not comprehensive enough to meet the needs of grant monitors to efficiently and effectively monitor this sub-set of grantees. This new data collection will enhance the ability of grant monitors to track the budgeting of grantees and the management of their funds.

- 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.**

Grant monitors will be using the budget information provided by the grantees to determine if their planned costs are reasonable, allocable, and allowable with the Department's regulations and the governing statute of the applicable program. The information provided will be detailed enough for grant monitors to see how program funds are being spent and from which budget categories the funds will be taken. This new collection will also enable grant monitors to see if funds are being transferred from one budget category to another and will expedite their review of funding requests.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision of adopting this means of collection. Also describe any consideration given to using technology to reduce burden.**

The new electronic form and all information provided by grantees will be submitted electronically through the Department's grant management system, G5. Grantees are familiar with this system because they use the system to submit performance reports, to manage administrative functions of their grants, and to view payments. Placing the new form in the G5 system increases the efficiency of budget requests by grantees and budget reviews by program monitors.

- 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 Question 2 above.**

Currently, grantees on cost reimbursement or route payment submit budget requests using the paper SF 524 along with receipts. This process is extremely burdensome to grantees as well as grant monitors who must review each receipt and accounting documentation, which comes in a different format for each grantee. This new electronic form would eliminate the need for this paper process and the new electronic format would facilitate an easier submission and approval of budget documents.

- 5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden. A small entity may be (1) a small business which is deemed to be one that is independently owned and operated and that is not dominant in its field of operation; (2) a small organization that is any not-for-profit enterprise that is independently owned and operated and is not dominant in its field; or (3) a small government jurisdiction, which is a government of a city, county, town, township, school district, or special district with a population of less than 50,000.**

The development of the electronic form is a large improvement from the current financial reporting mechanism in place. Actually, this new collection will decrease the impact and burden on small businesses currently on route payment or cost reimbursement by allowing them to submit information electronically which expedites when the grant monitor will receive the information, eliminates the cost of postage, and by facilitating an easier review of financial documents by grant monitors results in grantees receiving their funds in a more timely manner.

- 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.**

The development of the new budget reporting form decreases the Federal government's risk of the misuse of program funds because grantees will be required to demonstrate how they intend to spend the money in order to receive the funds. Currently grantees are able to access their funds with little to no oversight from grant monitors. This collection is increasingly important as the grantees that will be using this form have demonstrated their inability to follow appropriate Federal financial guidelines and practices.

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 document;
 - 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 than 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 that unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
 - requiring respondents to submit proprietary trade secrets, 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.

No information will be collected in the manner covered under any of the special circumstances outlined.

8. As applicable, state that the Department has published the 60 and 30 Federal Register notices as required by 5 CFR 1320.8(d), 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. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instruction and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

The Department published a 60-and 30-day FRN with one public comment received during the first comment period, the response to comment is attached.

- 9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees with meaningful justification.**

The Department will not provide any payments or gifts to respondents.

- 10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. If personally identifiable information (PII) is being collected, a Privacy Act statement should be included on the instrument. Please provide a citation for the Systems of Record Notice and the date a Privacy Impact Assessment was completed as indicated on the ICRAS' Part 2 IC form. A confidentiality statement with a legal citation that authorizes the pledge of confidentiality should be provided. Requests for this information are in accordance with the following ED and OMB policies: Privacy Act of 1974, OMB Circular A-108 – Privacy Act Implementation – Guidelines and Responsibilities, OMB Circular A-130 Appendix I – Federal Agency Responsibilities for Maintaining Records About Individuals, OMB M-03-22 – OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002, OMB M-06-15 – Safeguarding Personally Identifiable Information, OM:6-104 – Privacy Act of 1974 (Collection, Use and Protection of Personally Identifiable Information). If the collection is subject to the Privacy Act, the Privacy Act statement is deemed sufficient with respect to confidentiality. If there is no expectation of confidentiality, simply state that the Department makes no pledge about the confidentiality of the data.**

There is no assurance of confidentiality.

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

This reporting form does not include questions about sexual behavior and attitudes, religious beliefs, or other items that are commonly considered sensitive and private.

- 12. Provide estimates of the hour burden of the collection of information. The statement should:**

- **Indicate the number of respondents by affected public type (federal government, individuals or households, private sector – businesses or other for-profit, private sector – not-for-profit institutions, farms, state, local or tribal governments), frequency of response, annual hour burden, and an explanation of how the burden was estimated, including identification of burden type: recordkeeping, reporting or third party disclosure. All narrative should be included in Question 12. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons**

[ICR No. 2004.01] 1855-NEW - G5 System Post Award Budget Drawdown e-Form

for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

- If this request for approval covers more than one form, provide separate hour burden estimates for each form. (The table should at minimum include Respondent types, Number of Respondents and Responses, Hours/Response, and Total Hours)
- Provide estimates of annualized cost to respondents of the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Question 14.

Post Award Draw Down Form							
Respondent Type	# of Respondents	# of Responses	Hours per Response	Total Burden Hours	Reporting Requirement	Cost per Respondent	Total Costs per Respondent
Burden by Affected Entity:							
Private Sector							
Not-for profits	762	6,096	1.00	6,096	Reporting	\$40	\$243,840
Sub-total	762	6,096		6,096		40	243,840
State, Local, or Tribal Governments							
Public Institutions	1,831	14,648	1	14,648	Reporting	\$40	\$585,920
Private Institutions	47	376	1	376	Reporting	\$40	\$15,040
State, Local, or Tribal Governments	1,172	9,376	1	9,376	Reporting	\$40	\$375,040
Sub-total	3,050	24,400		24,400			\$976,000
Total	3,812	30,496		30,496			\$1,219,840
CURRENT INVENTORY							
Current # of Respondents	0	0		0			
Current # of Responses	0	0		0			
Current Inventory of Hours	0	0		0			
Difference	3,812	30,496		30,496			
Document Type	Form						
Available Electronically?	Yes						
Can be submitted Electronically?	Yes						
Percent	100%						

[ICR No. 2004.01] 1855-NEW - G5 System Post Award Budget Drawdown e-Form

Reporting Electronically?							
Obligation to Respond?	Required to Obtain or Retain a Benefit						
Frequency?	Other						

13. Provide an estimate 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 Questions 12 and 14.)

- The cost estimate 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. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and acquiring and maintaining record storage facilities.
- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government or (4) as part of customary and usual business or private practices. Also, these estimates should not include the hourly costs (i.e., the monetization of the hours) captured above in Question 12.

Total Annualized Capital/Startup Cost: \$0

Total Annual Costs (O&M): \$1,219,840

Total Annualized Costs Requested: \$1,219,840

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Questions 12, 13, and 14 in a single table.

[ICR No. 2004.01] 1855-NEW - G5 System Post Award Budget Drawdown e-Form

Post Award Draw Down Form					
	# of Employees	Amount of Responses Reviewed	Time to review each response	Hourly Cost Per Hour	
Cost to Federal Government	3,812	30,496	0.50 hrs	\$ 30.00	\$ 457,440.00

15. Explain the reasons for any program changes or adjustments. Generally, adjustments in burden result from re-estimating burden and/or from economic phenomenon outside of an agency’s control (e.g., correcting a burden estimate or an organic increase in the size of the reporting universe). Program changes result from a deliberate action that materially changes a collection of information and generally are result of new statute or an agency action (e.g., changing a form, revising regulations, redefining the respondent universe, etc.). Burden changes should be disaggregated by type of change (i.e., adjustment, program change due to new statute, and/or program change due to agency discretion), type of collection (new, revision, extension, reinstatement with change, reinstatement without change) and include totals for changes in burden hours, responses and costs (if applicable).

This is a new collection and all burden is new.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used.

Results of collected information will not be published.

17. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The expectation is for the form to be functional in the Department’s Grant Management System G5 by the spring of 2014. At that time, grantees will be able to use the electronic form for reporting purposes on their individual schedules.

18. 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 Department will display on the form the expiration date for the OMB approval as required.

19. Explain each exception to the certification statement identified in the Certification of Paperwork Reduction Act.

There are no exceptions to the certification statement.