

SUPPORTING STATEMENT
U.S. Department of Commerce
Economic Development Administration
Revolving Loan Fund Reporting and Compliance Requirements
OMB Control No. 0610-0095

A. JUSTIFICATION

This is an extension of a currently approved information collection.

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

The collection of information is necessary pursuant public law 42 U.S.C. § 3149. Specifically, the purpose of the data collection is to enable monitoring, evaluation, and use of public funds in accordance with fiduciary responsibilities outlined in public law (42 U.S.C. § 3149) and regulations outlined in (13 C.F.R. Part 307). The principal nature of the collected information is predominately financial as it relates to economic development loans made to public and non-profit organizations. The information collected enables the Economic Development Administration (EDA) to:

1. Manage internal financial controls of the EDA's Revolving Loan Fund (RLF) Program with assets valued over \$864,000,000;
2. Monitor loan recipient compliance with grant award terms and conditions; and,
3. Establish RLF Program Performance Metrics.

All data collection is done electronically via an EDA designed, approved, and distributed Post Scrip Document (PDF) file. The information is collected predominately through the electronic PDF form ED-209 (Revolving Loan Fund Semiannual Report) (*Appendix A*) and PDF form ED-209I (Income and Expense Statement) (*Appendix B*). All six hundred and seventeen (617) Revolving Loan Fund Recipients (aka Recipient Reporting Units) use the ED-209 to report information semi-annually. Approximately twenty-five percent (25%) of those 617 Recipient Reporting Units may also be required to report using the electronic ED-209I form also within RLFMS. The determination on whether a Recipient is required to report using the electronic ED-209I is based upon financial thresholds related to Administrative Costs incurred in managing their RLF Loan Portfolio (details provided in Question 12 Paragraph 5).

Improvements made since 2011 to lessen the paperwork burden of this data collection process include the elimination of duplicative fields, automation of self-populated fields, and the ability to upload data to shorten data entry. Improvements made to the ED-209I are expected to decrease the number of hours required to complete, to be determined later.

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

The information is used by the National RLF Administrator, six regional RLF Administrators, and 61 Grant Recipient Reporting Units located throughout the U.S. The collected RLF loan data enables the EDA to exercise critical fiduciary responsibility over the RLF loan portfolio.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

All data is collected electronically through the use of the electronic fillable PDF forms.

4. Describe efforts to identify duplication.

The collected information is specific to the RLF program and is not available

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

Small businesses are not eligible for RLF investment assistance.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

If RLF reporting was performed less frequently in lieu of the current requirement of every six months, the EDA program would lose industry accepted fiduciary monitoring practices, lessen EDA's resources to manage internal financial controls, lessen EDA's ability to monitor loan recipient compliance with grant award terms and conditions, and lessen capacity to monitor program performance metrics. Other consequences would include decreased program transparency and possible erosion of public trust. Finally, the EDA would not be in compliance of 42 U.S.C. § 3149. Before implementation of the RLFMS program in 2010, a March 2007, Department of Commerce (DOC) Office of Inspector General (OIG) report titled *Aggressive EDA Leadership and Oversight Needed to Correct Persistent Problems in RLF Program* (Audit Report No. OA-18200-7-0001/March 2007; see <http://www.oig.doc.gov/oig/reports/2007/EDA-OA-18200-03-2007.pdf>) found that EDA failed to exercise adequate oversight of this program.

Therefore, requiring RLF ED-209 reporting on a less frequent schedule, in lieu of semi-annual, would be a material conflict with the intent and recommendations of the 2007 DOC OIG Report.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

The Information collection is consistent with OMB guidelines.

8. Provide information of the PRA Federal Register Notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the 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 format (if any), and on the data elements to be recorded, disclosed, or reported.

There were no comments to the 60-day Federal Register Notice, Vol. 79, No. 115, pg. 34284, published on Monday, June 16, 2014.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

Not Applicable.

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

There is no assurance of confidentiality provided to respondents regarding information collection under form ED-209 and form ED-209I. To the extent that information provided by respondents is not exempt from disclosure under FOIA, such information is generally available to the public.

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.

Not Applicable.

12. Provide an estimate in hours of the burden of the collection of information.

EDA estimates a total hour burden of 3 hours and 21 minutes.

The total hour burden consists of:

For the ED-209, two (3) hours per ED-209 times 1,234 semi- annual responses (617+617) for a total of **3,702 hours**; and,

for the ED-209I, 1 hour per ED-209I. Since about 7.5% of the 617 respondents need to file semi-annually (47+47), there will be 94 total responses at 1.0 hour equals an annual total of **94 hours** (rounded).

Altogether, 3,702 hours and 94 hours equals **3,796 total burden hours**.

All RLF Recipients, including those receiving Recapitalization Grants for existing RLFs, must complete and submit a semiannual report (Form ED–209) in electronic PDF format, unless EDA approves a paper submission. RLF Recipients must certify as part of the semi-annual report to EDA that the RLF is operating in accordance with the applicable RLF Plan. RLF Recipients also must describe any modifications to the RLF Plan to ensure effective use of the RLF as a strategic financing tool.

Further, an RLF Recipient using either fifty (50) percent or greater (or more than \$100,000) of RLF Income for administrative costs in a six-month (6) Reporting Period must submit a completed *Income and Expense Statement* (Form ED–209I) for that Reporting Period in electronic format, unless EDA approves a paper submission. Currently, approximately, twenty-five percent (25%) of the 617 RLF Recipients may also be required to submit the ED-209I form.

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in Question 12 above).

Not Applicable.

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

The estimated annual cost to the Federal government with respect to these information collections is **\$170,755**, calculated as follows:

ED-209:

3 hours/ED-209 * 2 ED-209s/year * 617 reporting units * \$45/hour = **\$166,590**.

ED-209I:

1.0 hour/ED-209-I * 2 ED-209-Is/year * 617 reporting units * 7.5% of reporting units required to complete * \$45/hour = **\$4,165**.

15. Explain the reasons for any program changes or adjustments.

Adjustments

The ED-209 increased from 2,468 to 3,702 hours because feedback from Grantees indicated that they had to update their version of Adobe this past reporting period due to the use of encryption in the ED-209 form. Only version X or XI of Adobe products supported the encryption we relied upon. A major issue we encountered this past reporting period was the use of Adobe plug-ins. Some Grantees (especially those running Chrome) were able to download the reporting form and begin filling out the form, but were unable to save the form. We discovered this was due to the Adobe plug-in being disabled in Chrome. Other users were unable to download the form using Google Chrome but could do so with Internet Explorer. The increase in hours is not because of a change in the form but rather from software security requirements and is expected to remain at this higher level of hours.

The second form, ED-209I, decreased from 214 to 94 responses and from 231 to 94 hours because an RLF Recipient using either fifty (50) percent or more (or more than \$100,000) of RLF Income for administrative costs in a six-month Reporting Period must submit to EDA a completed Income and Expense Statement (Form ED-209I) for that Reporting Period. The number of responses varies based on the preceding criteria. However, based on the past reporting period, the lower adjusted number of responses and hours is expected to continue.

TOTAL NET: Decrease 214 responses; Increase 1,097 burden hours

16. For collections whose results will be published, outline the plans for tabulation and publication.

Specific details of information collected from respondents will not be published in a non-aggregate form. However, some of the information collected may be published in aggregate form as part of EDA's annual report, GPRA reporting, EDA's Balanced Scorecard, progress reports to the DOC and/or its OIG, or other summary report.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

Not Applicable.

18. Explain each exception to the certification statement.

Not Applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This information collection does not employ statistical methods. EDA is not aware of any statistical sampling methods that might reduce burden or improve the accuracy of results.