

SUPPORTING STATEMENT

Form ACF-696

A. Justification

1. Circumstances Making the Collection of Information Necessary

The Administration for Children and Families (ACF) is authorized to collect and report the information requested under this form by the Child Care and Development Block Grant Act of 1990, as revised. Regulations at 45 CFR 98.65(g) indicate that the Secretary shall require financial reports as necessary.

2. Purpose and Use of the Information Collection

State (and Territorial) agencies with approved State plans for implementation of the CCDF program report the data on a quarterly basis. The form provides specific data regarding claims and provides a mechanism for States to request grant awards and certify the availability of State matching funds. Failure to collect this data would seriously compromise ACF's ability to monitor expenditures. This information is also used to estimate outlays and may be used to prepare ACF budget submissions to Congress.

3. Use of Improved Information Technology and Burden Reduction

ACF has developed a forms database that allows electronic data entry for the ACF-696 over the internet. In addition, an electronic copy of the ACF-696 form is available via the internet and, upon request, e-mail attachment.

4. Efforts to Identify Duplication and Use of Similar Information

Information collected in this report is/will not be available through any other Federal source. No similar available information has been identified.

5. Impact on Small Businesses or Other Small Entities

These forms apply only to State, and Territorial governments. Small businesses are not involved.

6. Consequences of Collecting the Information Less Frequently

Financial management of the program would be seriously compromised if the expenditure data in the form (ACF-696) were collected on a less than quarterly basis. Federal policy presumes the strictest controls on funding documentation in support of State claims for reimbursement.

7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5

No special circumstances are noted for this request for information collection.

8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency

The Federal Register Notice soliciting comments on the information collection (81 FR 21553, April 12, 2016) was distributed to ACF Regional Offices and, through them, to CCDF grantees. ACF Central and Regional Offices have ongoing discussions with States, and Territories about the ACF-696 financial reporting requirements. In response to the FR Notice, two non-federal entities requested copies of the financial form and instructions. No comments have been received.

9. Explanation of Any Payment or Gift to Respondents

No provision for payment or gift to respondents applies to this collection.

10. Assurance of Confidentiality Provided to Respondents

There are no data collected that require confidentiality.

11. Justification for Sensitive Questions

Data collected are not of a sensitive nature.

12. Estimates of Annualized Burden Hours and Costs

Instrument	Number of Respondents	Number of Responses per Respondent	Hours per Response	Total Response Burden
ACF-696 CCDF Financial Reporting Form for States and Territories	56	4	5	1120

Total respondents of 56 with a total of 4 annual responses at 5 hours per response equals a total of 896 annual hours requested. Assuming the value of respondents' time is \$25 an hour, the estimated cost is \$28,000 (1120 total hours X \$25.00). Burden hour estimates were made using past experience with the formerly approved form.

13. Estimates of Other Total Annual Cost Burden to Respondents and Record Keepers

No additional costs should be associated with this collection that has not been included in questions 12 and 14.

14. Annualized Cost to the Federal Government

The cost to the Federal Government includes the initial electronic publication and database mapping for retention of information submissions which costs are estimated at approximately \$6,500 per year for 3 years. Additionally, with the changes to the electronic coordination of payment information (see the Form Instructions heading Reconciliation of Payment Information) from the Payment Management System being imported into the On-Line Data Collection System there is an additional one time cost of \$6,500. The estimated cost for the information technology to support this financial form is \$26,000.

Using these electronic methods reduces the review time to approximately 560 hours. We assume that financial data can be analyzed at half the rate it takes the grantee to report it; i.e.; 56 financial reports, submitted 4 times per year with a total review time of 2.5 hours per report. At an estimated hourly cost of \$25, the total analysis cost to the government is \$14,000.

The reconciliation of payment data from (Standard Form 425) to expenditure data (ACF-696) is likely to have significant savings to the Federal Government. By requiring the grantee to consistently report the same financial data the Federal Government employees will likely need less time and effort reviewing data and coordinating adjustments between systems. This alone will save at least one hour of time per report submitted (56 respondents * 4 responses * 1 hours of effort * 25) \$5,600. Additionally, grant closeouts will be more efficient and timely to allow compliance with the Grants Oversight and New Efficiency Act (GONE Act, P.L. 114-117). Using the same assumptions, we estimate another \$5,600 in savings for close-out reconciliation efforts which were previously not part of the normal operations for financial form submission and review by Federal staff. We estimate a total savings \$11,200 because of these proposed changes to grantee financial reporting.

The estimated total savings are \$11,200 and the estimated costs to the Federal Government are \$40,000. The net total costs to the Federal Government are: \$28,800.

15. Explanation for Program Changes or Adjustments

There are no changes being implemented to this form as a result of consultation with program grantees or other parties. Minor changes to reporting are due to programmatic changes included in the Child Care and Development Block Grant Act of 2014, which reauthorized the CCDF program and included new spending requirement for States and Territories. These changes are limited to the method grantees would combine expenditures on Lines 1(b) and 1(f) of this report. No additional reporting requirements or burden is being imposed on respondents.

16. Plans for Tabulation and Publication and Project Time Schedule

These data are published on the Office of Child Care website:
<http://www.acf.hhs.gov/programs/occ>

17. Reason(s) Display of OMB Expiration Date is Inappropriate

We will display the expiration date on the form.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

We are not aware of any exceptions to the certification statement identified on Item 19.

B. Statistical Methods (used for collection of information employing statistical methods)

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When item 16 is checked "Yes," the following documentation should be included in the supporting statement to the extent that it applies to the methods proposed:

Statistical methods are not included in this collection of information.

1. Respondent Universe and Sampling Methods
2. Procedures for the Collection of Information
3. Methods to Maximize Response Rates and Deal with Nonresponse
4. Test of Procedures or Methods to be Undertaken
5. Individuals Consulted on Statistical Aspects and Individuals Collecting and/or Analyzing Data