

SUPPORTING STATEMENT
National Credit Union Administration

Written Reimbursement Policy
OMB Control Number 3133-0130

A. Justification

1. Circumstances Necessitating the Collection of Information

Federal Credit Unions (“FCU”) may reimburse its board members for reasonable and proper costs incurred in conducting their official responsibilities only if the reimbursement is in accordance with the written reimbursement policies and procedures established by the FCU’s board of directors. Access to this plan, and documentation related to its implementation is necessary for NCUA examiners to verify compliance with this requirement.

The information collection is authorized under Section 120 of the Federal Credit Union (“FCU”) Act, 12 U.S.C. § 1766(a) and section 701.33(b)(2)(1) of NCUA Regulations, 12 C.F.R. §701.33(b)(2)(1).

2. Purpose and Use of the Information Collection

Each FCU must draft a written reimbursement policy to ensure that the FCU makes payments to its director within the guidelines that the FCU has established in advance and to enable examiners to easily verify compliance by comparing the policy to the actual reimbursements.

3. Consideration Given to Information Technology

Plans and documentation may be retained in any form, including electronically.

4. Duplication

The information collection is unique to the FCU and is not duplicated anywhere.

5. Reducing Burden on Small Entities

The requirement to have a written reimbursement plan represents the minimum information necessary to implement this provision. The cost per FCU is negligible (less than \$18 on average with a maximum annual cost of \$70).

6. Consequences of Not Conducting the Collection

Less frequent collection would substantially impair the effectiveness of the program..

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

None -- the collection is conducted within the Guidelines.

8. Consultations Outside the Agency

Notice of the proposed information collection and request for public comment was published with a 60-day comment period in the Federal Register on August 8, 2016 at 81 FR 52466. NCUA did not receive any comments regarding the collection.

9. Payment or Gift

There is no decision to provide any payment or gift to respondents.

10. Confidentiality

There are no assurances of confidentiality other than those provided by law. Credit union examination reports and any documents related thereto are exempt from the Freedom of Information Act disclosure, pursuant to exemption 8, 5 U.S.C. 552(b)(8).

11. Questions of a Sensitive Nature

There are no questions of a sensitive nature. No personally identifiable information (PII) is collected.

12. Burden of Information collection

NCUA estimates that four credit unions will apply for new FCU charters each year. NCUA estimates that it will take each new FCU two hours to draft its written reimbursement policy. NCUA estimates that the other FCUs will incur an average of one-half hour each annually to update their policies. NCUA's estimates are based on the experiences of NCUA's Office of Examination and Insurance.

New FCU Charters - 4 respondents X 2 hours = 8 burden hours
Existing FCUs Annual Update – 3,764 respondents X 0.5 hours = 1886 burden hours
8 burden hours + 1,882 burden hours = 1,890 total annual hours

Average fully loaded wages for credit unions are approximately \$35 per hour. The average annual costs to respondents is, therefore, estimated at \$66,150.

13. Capital Start-up and Maintenance Costs

All equipment needed to prepare, manage, and disclose information associated with reimbursement plans is equipment used for the customary and usual business of the credit union. There is no special or additional equipment; therefore, there is no additional cost.

14. Cost to the Federal Government

There is no cost to the Federal government.

15. Reasons for Change

The change in estimated burden is due solely to a change in the number of credit unions.

16. Information Collection Planned for Statistical Purposes

There are no plans for publication of results.

17. Display of OMB Expiration Date

There are no traditional collection instruments associated with this collection of information (e.g. forms). The OMB control number and expiration date associated with this PRA submission will be displayed on the Federal government's electronic PRA docket at www.reginfo.gov.

18. Exceptions to Certification

This collection complies with the requirements in 5 CFR 1320.9.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not involve statistical methods.