

**SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSIONS
OMB No. 1530-0015
“Authorization Agreement for Preauthorized Payments”**

A. Justifications.

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

Preauthorized payments allow a Federal agency to collect monies owed the Government by electronically withdrawing funds from a remitter’s account on a predetermined due date. In order to collect this payment from the remitter’s account at the financial institution, there are two key pieces of information that are necessary: the remitter’s account number and the routing transit number of the financial institution. To collect the payment from the remitter’s account, Treasury, the Federal Reserve as the ACH Operator and the receiving financial institution use this information.

This information is collected by authority of 15 USC § 1693 et seq., 12 CFR 205, 31 CFR 206, 31 CFR 210 and the Nacha (formerly known as the National Automated Clearing House Association) Rules.

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.

A Federal agency will provide a remitter with a form for the authorization, change or termination of preauthorized electronic fund transfers. The remitter is to complete and sign the individual/company part of the form. The remitter then may take the enrollment form to the financial institution where his/her account is maintained. A financial institution representative will complete and may, when requested, sign the financial institution information section. The remitter and the financial institution will each retain a copy of the form. The original copy of the form will be forwarded by the remitter or the financial institution to the appropriate Federal agency. A preauthorization agreement signed by an individual or company representative authorizes preauthorized electronic fund transfers from the account identified on the authorization form.

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

The form is available from the Bureau of the Fiscal Service and also on the Internet as a fill-in PDF form. No other consideration is being given at this time to use any improved information technology in this program area. There are no known legal or technical obstacles to reducing this burden.

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 Item 2 above.

The information is collected for a single purpose to collect the remitters' names, remitters' account numbers, and the routing transit numbers of their financial institutions at one time. No other federal governmental agency collects this type of information, therefore, no duplication exists. This data gathering must be done by the voluntary completion of this form by the remitter and their financial institution.

This form seeks to collect only the most basic data, which allows the collection of payments through electronic funds transfers.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

This collection of information does not impact small business or other small entities.

6. Describe the consequence 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.

This collection of information is obtained on occasion whenever individuals wish to authorize, change or terminate for preauthorized electronic funds transfers. This authorization is required by the Electronic Fund Transfer Act, the act's implementing regulation, Regulation E (12 CFR 205) and the Nacha ACH Rules. The collection of this information is usually a one-time collection, and therefore, cannot be less frequent. If this information is not collected, the agencies will not be authorized to initiate preauthorized electronic funds transfers. As a result, customers will need to choose another form of payment, which may result in higher processing costs to the government and inconvenience to the customer. Moreover, failure to collect this information may delay the government's receipt of payments, potentially invoking fines or penalties to the customer, and creating customer dissatisfaction because they could not pay through the preauthorized electronic funds transfer.

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; etc.

There are no special circumstances that would require the information to be collected in a manner, which is inconsistent with 5 CFR 1320.6.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, 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.

A 60-day *Federal Register* notice was published March 18, 2020, Volume 85, Page 15570 requesting comments from the public on this renewal. No comments were received.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

There are no payments or gifts made to respondents.

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

Aside from protections contained in the Privacy Act, there is no guarantee 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. This 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.

There are no questions of a sensitive nature. Personally identifiable information (PII) such as name and account information is a requirement in order for electronic funds transfers to be made from the remitter's account and for the Federal agency to electronically collect these payments.

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Debit Gateway" system and a Privacy Act System of Records notice (SORN) has been issued for this system under Treasury/Fiscal Service .013—Collections Records. The Department of the Treasury PIAs can be found at <https://www.fiscal.treasury.gov/files/pia/debitgatewaypcliia.pdf>

12. Provide estimates of the hour burden of the collection of information. The statement should: *indicate the number of respondents, frequency of response, annual hour burden; and an explanation of how the burden was estimated.

As this is a Common Form, burden is reported only for Treasury. Other agencies which use the form will be asked to account for their own burden.

- A. There will be an estimated 100,000 respondents making preauthorized payments to the Department of Treasury. Each respondent would submit one form to authorize electronic funds transfers from their account. To complete the form requires 15 minutes. $100,000 \times .25 \text{ hours} = 25,000 \text{ burden hours}$
- B. This form is completed primarily by individuals in their personal capacity, thus no actual labor costs are expected to be incurred by respondents. Accounting for the value of a respondent's time using the national average wage for all occupations

of \$25.72, the estimated labor costs for completing the form would total \$643,000.¹

13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

There are no costs to respondents other than mailing costs. The information requested is already maintained by financial institutions in their normal business practices. There are no capital or start-up costs, nor are there any operational or maintenance costs associated with this information collection.

14. Provide estimates of annualized costs 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 may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

The SF 5510 form is available in a digital format (PDF). There are no longer costs incurred by the Federal government associated with maintaining hard copies of the form for distribution. The only costs are normal business costs related to the reviewing and updating of the form every three years, or as needed.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

The revision to the collection is to convert from a standard PRA package to a common form package to allow other Agencies to account for their usage of the form.

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. 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 results of this information collection will not be published for statistical purposes.

17. 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 public interest will be better served by not displaying an expiration date on SF 5510. The time period during which the current edition of the form will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. Displaying the expiration date would make it necessary to update the electronic form and website where it is accessed after each renewal. Additionally, not displaying the expiration date on the form will avoid confusion among members of the public who may have identical forms with different expiration dates in their

¹ Bureau of Labor Statistics, *May 2019 National Occupational Employment and Wage Estimates United States*, https://www.bls.gov/oes/current/oes_nat.htm

possession. By not displaying the expiration date, supplies of the form could continue to be used regardless of when the OMB approval has expired. This would reduce costs incurred through additional printing and desktop publishing.

18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.

There are no exceptions to the certification statement.

B. Collections 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 17 on the Form OMB 83-I is checked, “Yes,” the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed:

This information collection does not employ statistical methods.