

Supporting Statement

OMB Number 1530-0002

FS Form 150.1 – “Trace Request for Direct Deposit ACH Payment”

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 copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

When a payee/recipient reports non-receipt, of their Automated Clearing House (ACH) payment to the federal agency that authorized it. The federal agency must submit a non-receipt action electronically through Fiscal Service’s post payment system to notify Fiscal Service of the reported loss.

Fiscal Service will research the claim by either the Automated Clearinghouse (ACH) Non-Receipt claim process, or by using the traditional FS Form 150.1, Trace Request Form, to determine the status of the claim. Once notified, Fiscal Service will contact financial institution (FI) to which the payment in question was directed; also referred to as the Receiving Depository financial institution (RDFI) of the claim of non-receipt. via the FS Form 150.1 The FS Form 150.1 is used to trace all payments other than benefit payments. Regulations require financial institutions to respond to Fiscal Service within three (3) business days after receipt of the 150.1 form. Financial institutions return one copy of the form to Treasury. This information is collected by authority of 5 U.S.C. 301; 12 U.S.C. 391; **12 USC 3413(k)(2): Disclosure Necessary for Proper Administration of Programs of Certain Government Authorities** and **Title 31 CFR part 210.3(c): Federal Government Participation in the Automated Clearing House (ACH)**

12 USC 3413(k)(2): Disclosure Necessary for Proper Administration of Programs of Certain Government Authorities

12 USC 3413 (k)(2) of the Right to Financial Privacy Act provides: “Nothing in this title shall apply to the disclosure by the financial institution of information contained in the financial records of any customer to any government authority that certifies, disburses, or collects payments, where the disclosure of such information is necessary to and such information is used solely for the purpose of... the investigation or recovery of an improper federal payment...”

Title 31 CFR part 210.3(c): Federal Government Participation in the Automated Clearing House (ACH)

Specifically, Title 31 CFR part 210.3(c) provides: “Any person or entity that originates or receives a government entry agrees to be bound by this part and to comply with all

instructions and procedures issued by the Service under this part including the Treasury Financial Manual and the Green Book.”

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.

The use of the FS Form 150.1 is based on a process whereby Fiscal Service mails the claims form to the financial institution to which the payment in question was directed also referred to as the Receiving Depository financial institution (RDFI). It is important to note that this process is primarily utilized by claims of non-receipt related to Internal Revenue Service (IRS) payments, in addition to other smaller payment types. The FS Form 150.1 displays all of the pertinent payment information to help the FI identify the payment. The financial institution completes the form, indicating the disposition of the payment and returns it to Fiscal Service.

The information is required to determine the validity of the non-receipt claims. The form is designed to help the FI locate any problem and to keep the payee/recipient informed of any action the FI takes. If the collection of information was not conducted, Treasury would not be able to respond to the nonreceipt claim and could not be assured that payments are being credited properly by FIs. Financial institutions can be held liable for ACH payments not processed timely or correctly. If the Federal government sustains a loss as a result of a financial institution's improper handling of an entry, the financial institution is liable to the Federal government for the loss, up to the amount of the entry.

The Teletrace process is a telephonic process by which Fiscal Service contacts financial institutions directly rather than utilizing the forms based process. The process is used for Social Security Administration (SSA), Supplemental Security Insurance (SSI) and Veteran's Administration (VA) claims of non-receipt, which represent the overwhelming majority of non-receipt claims. Fiscal Service still has access to the above-mentioned information but does not send it to financial institution via forms. It is a more automated and electronic method of resolving claims of non-receipt.

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.

There are cases where payees may question the receipt of ACH payments and may contact the authorizing Federal agency for status. Upon receipt of a claim from the payee that an ACH payment has not been received; the authorizing Federal agency can electronically submit through the Fiscal Service's post payment system a payment status request. Fiscal Service will assess the status of the claim of non-receipt and will notify the originating

Federal agency if the payment has already been returned. If the payment status is “payment has been processed”, a trace request will be transmitted, or generated. Fiscal Service has partnered with several federal agencies to research Direct Deposit ACH nonreceipt claims. Fiscal Service representatives will contact the RDFI directly by telephone, email, or facsimile to resolve claims of non-receipt . The process is used for Social Security Administration (SSA), Supplemental Security Insurance (SSI) and Veteran’s Administration (VA) claims of non-receipt, which represent the overwhelming majority of non-receipt claims. FS Form 150.1 is generated at the financial center for non-receipt claims and mailed to the payee’s financial institution, who is required to respond within three business days. If the financial institution responds appropriately by telephone, the response is accepted. The Fiscal Service copy of the 150.1 is annotated with the response and scanned to create a record and the case file is closed in Fiscal post payment system.

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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 system-generated FS Form 150.1 is only generated upon receipt of a request from a Federal Program Agency to research a non-receipt claim and after the use of the Automated Clearinghouse (ACH) Non-Receipt claim process. Individual case files are established in the post payment system for each claim as an internal control to avoid duplication.

5. If the collection of information impacts small businesses or other small entities (Item 5 or OMB Form 83-1), describe any methods used to minimize burden.

All efforts were made to talk with small businesses and Federal program agencies prior to development of the subject form in order to minimize the burden on them. The form has been under continual review over the years of use and has undergone revisions when needed. The form is currently being revised to correctly show the address of the Fiscal Service location that is responsible for managing Federal government ACH claims of non-receipt.

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.

Frequency of collection cannot be controlled because information is requested by the program agency in response to a non-receipt claim initiated by the payee/beneficiary.

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.**

As described in answer 6 above, information is by the program agency in response to a non-receipt claim initiated by the payee recipient not annual, semi-annual, quarterly or on any other regularly timed basis.

Regulations require financial institutions to respond to Fiscal Service within 3 business days after receipt of the 150.1 form. The RDFI must respond to Fiscal Service within three business days by completing and returning the FS Form 150.1 to Fiscal Service as indicated on the form. Fiscal Service will verify acceptance of the return. If no reply is received, Fiscal Service will contact the financial institution and will pursue the case until it is resolved. If Fiscal Service still receives no reply, a letter will be sent to the President of the RDFI.

The authorizing federal agency may also contact the RDFI to resolve payment problems. Keep in mind that the RDFIs can be held liable for ACH payments not processed timely or correctly. If the federal government sustains a loss as a result of a financial institution's improper handling of an entry, the financial institution is liable to the federal government for the loss, up to the amount of the entry.

Financial institutions return one copy of the form to Treasury. Financial institutions are no longer required to respond to the Fiscal Service for trace requests on payments that are less than 2 months old. They are still responsible to resolve the issue with the recipient who claimed non-receipt.

There is nothing in Federal Regulations which requires the financial institution to retain the form for a specified period of time. Once the transaction has been completed, the financial institution may choose to retain or destroy the form in accordance with their policies.

All other information under this category is N/A.

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 notice was published in the *Federal Register* on December 23, 2021, at 86 FR 73091. There were no comments received as a result of this notice.

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. A minimal amount of Personally Identifiable Information (PII) in this collection is necessary in order to properly research the claim of nonreceipt. An applicable System of Records Notice for this information was published February 27, 2020. System of Records Name: Treasury/Fiscal Service.002 – Payment Records.

- 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.**

The estimated time for a financial institution to complete the trace request is estimated at approximately 8 minutes.

The respondent figures represent the number of operating FIs in the United States. Nationwide, there are 26,895 routing and transit numbers active, which are all potential respondents to non-receipt claims. The number of responses is the volume of individual responses that are received from the FIs. The annual hour burden is the sum total of the time to complete the said volume of responses.

It is important to note that the respondents to the FS Form 150.1 are FIs, and are not representative of the processing costs incurred by Bureau of the Fiscal Service for administrating the process.

Breakdown of Responses

Collection Instrument	Responses	Annual Burden hours
FS Form 150.1	59,714	7,962
Teletrace	144,005	19,201
Overall	203,719	27,163

Estimate of Annual Respondent Burden and Cost.

No. of Respondents	Number of Responses per Respondent	Total Responses	Average Burden per Response (in hours)	Total Annual Burden (in hours)	Average Hourly Wage Rate ¹	Total Annual Respondent Cost
26,895	7.5	203,719	8 minutes (.133 hours)	27,163	\$55.86	\$ 1,517,325.18

- 13. Provide an estimate for 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 Items 12 and 14).**

As a result of conversations with several of financial institutions, it has been determined that there are no additional capital or start-up costs associated with this information requirement. The requested information is already available from most financial transactions processed during a normal business day. There are no 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.**

Annualized cost to Federal Government is estimated at \$3,850,289.10. The cost is based on the Federal Government Fully-loaded Labor Rate for the positions listed below.

¹ It is expected that respondents to this collection could be from the field of Business and Financial Operations with an average wage rate of \$38.79 according to the May 2020 National Occupational Employment and Wage Estimates. https://www.bls.gov/oes/current/oes_nat.htm A benefit multiplier of 1.44 is used to calculate a fully-loaded wage rate of $\$38.79 \times 1.44 = \55.86

Using the BLS Employer Costs for Employee Compensation – March 2020 report <https://www.bls.gov/news.release/pdf/ecec.pdf>, a benefit multiplier of 1.44 was calculated by taking the private industry worker 50th (median) wage percentile total compensation rate divided by the wages and salaries rate. $\$26/\$18.05 = 1.44$

Labor Category	Fully-loaded Labor Rate/Hour ²	Avg. Processing Time per Response	Labor Costs per Response	Total Responses	Total Govt. Labor Costs
Customer Service Specialist (GS-4 Step 5 for the locality pay area of Philadelphia)	\$31.21	10 minutes	\$5.20	203,719	\$1,059,338.80
Customer Service Specialist (GS-6 Step 5 for the locality pay area of Philadelphia)	\$38.94	10 minutes	\$6.49	203,719	\$1,322,136.31
Customer Service Specialist (GS-7 Step 5 for the locality pay area of Philadelphia)	\$43.26	10 minutes	\$7.21	203,719	\$1,468,813.99
TOTAL					\$3,850,289.10

Federal Government Fully-loaded Labor Rate per Hour = Wage rate x a factor of 1.63 to account for benefit costs. Per the Office of Personnel Management (OPM) wage data for Philadelphia, PA. See the OPM website at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/22Tables/pdf/PHL_h.pdf

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB 83-1I.

Annualized cost to Federal Government reported in Item 14 is increased based on the current Federal Government Fully-loaded Labor Rates.

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 the collection of this information will not be published for statistical use.

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.

We believe the public interest will be better served by not printing an expiration date on the forms.

Printing the expiration date on the forms will result in increased costs because of the need to replace inventories that become obsolete by passage of the expiration date each time

OMB approval is needed. Without printing the expiration date, supplies of the form could continue to be used.

Not printing the expiration date on the form will also avoid confusion among users who may have identical forms with different expiration dates in their possession.

For the above reasons, we request authorization to omit printing the expiration date on this form and permission to use previous versions of FS Form 150.1

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

This collection does not employ statistical methods.