

**SUPPORTING STATEMENT  
FOR PAPERWORK REDUCTION ACT SUBMISSION  
Student Assistance General Provisions – Subpart K – Cash Management**

- 1. Explain the circumstances that make the collection of information necessary. What is the purpose for this information collection? Identify any legal or administrative requirements that necessitate the collection. Include a citation that authorizes the collection of information. Specify the review type of the collection (new, revision, extension, reinstatement with change, reinstatement without change). If revised, briefly specify the changes. If a rulemaking is involved, list the sections with a brief description of the information collection requirement, and/or changes to sections, if applicable.**

This request is for a reinstatement without change of the current information collection 1845-0038. This collection pertains to the recordkeeping requirements contained in the regulations related to the administration of the Subpart K - Cash Management section of the Student Assistance General Provisions. The regulatory language has not changed.

These program regulations are designed to provide benefits to title IV, HEA applicants, and protect the taxpayers' interest. The information collection requirements in these regulations are necessary to provide students with required information about their eligibility to receive funding under the federal student financial aid programs. The collection requirements help prevent fraud and abuse of program funds by allowing students to reduce or reject aid being offered to them as well as being made aware of when funding can be expected to be available.

- 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.**

Schools are required to identify bank accounts that hold federal student aid funds with the word "Federal" in the name of the account. Schools are also required to provide federal student aid recipients with notifications of the types of aid to be disbursed and allow them to cancel all or a portion of a Direct Loan or TEACH Grant. Additionally, schools are required to provide authorizations from the aid recipients that the school could use funds to pay other charges or hold funds in a student's account that would otherwise be disbursed directly to them. These are all recordkeeping requirements and the institutions must make this information available at the time of any audit or program review to ensure that the institutions are complying with the regulations.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision of adopting this means of collection. Please identify systems or websites used to electronically collect this information. Also describe any**

**consideration given to using technology to reduce burden. If there is an increase or decrease in burden related to using technology (e.g. using an electronic form, system or website from paper), please explain in number 12.**

Institutions may use available technology to transmit documents to and receive documents from federal student aid recipients. This allows for automation of the notices and documenting that they were sent as required.

- 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.**

There is no duplication of data as a result of the collection of this information.

- 5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden. A small entity may be (1) a small business which is deemed to be one that is independently owned and operated and that is not dominant in its field of operation; (2) a small organization that is any not-for-profit enterprise that is independently owned and operated and is not dominant in its field; or (3) a small government jurisdiction, which is a government of a city, county, town, township, school district, or special district with a population of less than 50,000.**

No small businesses are impacted by this collection.

- 6. Describe the consequences 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.**

If institutions did not perform the requirements of these regulations federal student aid recipients would not be able to plan their budgets for paying for the various costs of attending the institution. Additionally, without the authorization requirements an aid recipient may have undue burden placed on them to pay past or upcoming charges.

- 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;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;**

- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or that unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

This information collection requirement is consistent with all the guidelines in 5 CFR 1320.5(d)(2).

- 8. As applicable, state that the Department has published the 60 and 30 Federal Register notices as required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB.**

**Include a citation for the 60 day comment period (e.g. Vol. 84 FR ##### and the date of publication). Summarize public comments received in response to the 60 day notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden. If only non-substantive comments are provided, please provide a statement to that effect and that it did not relate or warrant any changes to this information collection request. In your comments, please also indicate the number of public comments received.**

**For the 30 day notice, indicate that a notice will be published.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instruction and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

On December 30, 2025, a Federal Register notice was published (Vol. 90, No. 246, page 61130) inviting public comment on this collection. No comments were received.

This is now the request for the 30-day public comment period.

- 9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees with meaningful justification.**

There are no payments or gifts to respondents.

- 10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. If personally identifiable information (PII) is being collected, a Privacy Act statement should be included on the instrument. Please provide a citation for the Systems of Record Notice and the date a Privacy Impact Assessment was completed as indicated on the IC Data Form. A confidentiality statement with a legal citation that authorizes the pledge of confidentiality should be provided.<sup>1</sup> If the collection is subject to the Privacy Act, the Privacy Act statement is deemed sufficient with respect to confidentiality. If there is no expectation of confidentiality, simply state that the Department makes no pledge about the confidentiality of the data. If no PII will be collected, state that no assurance of confidentiality is provided to respondents. If the Paperwork Burden Statement is not included physically on a form, you may include it here. Please ensure that your response per respondent matches the estimate provided in number 12.**

There is no assurance of confidentiality provided to institutions for the submission of this information.

- 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. The 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.**

The Department is not requesting information of a sensitive nature.

- 12. Provide estimates of the hour burden for this current information collection request. The statement should:**
  - Provide an explanation of how the burden was estimated, including identification of burden type: recordkeeping, reporting or third party disclosure. Address changes in burden due to the use of technology (if applicable). Generally, estimates should not include burden hours for customary and usual business practices.**
  - Please do not include increases in burden and respondents numerically in this table. Explain these changes in number 15.**

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<sup>1</sup> Requests for this information are in accordance with the following ED and OMB policies: Privacy Act of 1974, OMB Circular A-108 – Privacy Act Implementation – Guidelines and Responsibilities, OMB Circular A-130 Appendix I – Federal Agency Responsibilities for Maintaining Records About Individuals, OMB M-03-22 – OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002, OMB M-06-15 – Safeguarding Personally Identifiable Information, OM:6-104 – Privacy Act of 1974 (Collection, Use and Protection of Personally Identifiable Information)

- **Indicate the number of respondents by affected public type (federal government, individuals or households, private sector – businesses or other for-profit, private sector – not-for-profit institutions, farms, state, local or tribal governments), frequency of response, annual hour burden. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burden in the table below.**
- **Provide estimates of annualized cost to respondents of the hour burdens for collections of information, identifying and using appropriate wage rate categories. [Use this site](#) to research the appropriate wage rate. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14. If there is no cost to respondents, indicate by entering 0 in the chart below and/or provide a statement.**

The Department continues to estimate the recordkeeping burden requirements for 34 CFR Sections 668.163 and 668.165 as follows:

*34 CFR 668.163 – Maintaining and accounting for funds* – identifies how institutions' accounts into which federal student aid funds are to be established and maintained. It also identifies how institutional accounting and internal controls are to be maintained. The Department will decrease the number of respondents to more accurately reflect the number of participating institutions, both domestic and foreign.

	<u>Respondents &amp; Responses</u>	<u>Burden Hours</u>
For-profit institutions	1,659 x 1.23 hours =	2,041
Private institutions	2,052 x 1.23 hours =	2,524
Public institutions	1,844 x 1.23 hours =	2,268
Total	5,555	6,833

*34 CFR 668.165 – Notices and authorizations* – requires that institutions provide their federal student aid recipients with information about how much aid the recipient can expect to receive, when the aid will be available, provide the recipients the option of decreasing or eliminating loan or TEACH Grant funding if desired, and receive affirmative confirmation from the recipient of the accepted aid. Additionally, the institution must allow for a recipient to elect to have the institution hold aid funds and allow for the recipient to change that authorization at any time in writing.

Of the approximate 9.8 million aid recipients in the 2021-22 award year who would receive the notices and provide the appropriate authorizations, it is estimated that 24%

or approximately 2,352,000 are first time aid recipients and it would take them estimated 5 minutes to review the information being provided or 308,000 hours (2,352,000 x 0.08 = 188,160 hours).

Of the approximately 9.8 million aid recipients it is estimated that 76% or 7,350,000 will have received aid previously and will be able to review and respond in approximately 3 minutes or 367,500 hours (7,350,000 x 0.05 = 367,500 hours).

Lastly, it is anticipated that approximately 1% or 98,000 of the aid recipients will wish to alter their award based on the notifications which will require an additional 3 minutes or 4,900 hours (98,000 x 0.05 = 4,900 hours) to revise and then review the second notification with any changes to the award package.

We estimate there are 5,555 certified, eligible institutions who would be required to provide these notifications to their aid recipients. It is expected that the notification process is a highly automated one and would take approximately 2 minutes per the estimated 9.8 million aid recipients.

	<u>Respondents</u>	<u>Responses</u>	<u>Burden Hours</u>
<b>Individuals</b>			
First time recipients	2,352,000	2,352,000 x 0.08 hours =	188,160
Previous recipients	7,350,000	7,350,000 x 0.05 hours =	367,500
Recipients who request an award change	98,000	98,000 x 0.05 hours =	4,900
For-profit institutions	*	1,274,000 x 0.03 hours =	38,220
Private institutions	*	3,430,000 x 0.03 hours =	102,900
Public institutions	*	<u>5,096,000</u> x 0.03 hours =	<u>152,880</u>
Burden Totals*	9,800,000	19,600,000	854,560

**Estimated Annual Burden and Respondent Costs Table**

Information Activity or IC (with type of respondent)	Number of Respondents	Number of Responses	Average Burden Hours per Response	Total Annual Burden Hours	Estimated Respondent Average Hourly Wage	Total Annual Costs (hourly wage x total burden hours)
Individual	9,800,000	9,800,000	See above	560,560	\$22	\$12,332,320

Information Activity or IC (with type of respondent)	Number of Respondents	Number of Responses	Average Burden Hours per Response	Total Annual Burden Hours	Estimated Respondent Average Hourly Wage	Total Annual Costs (hourly wage x total burden hours)
For-Profit Institutions	1,659	1,275,659	See above	40,261	\$46.59	\$1,875,760
Private Institutions	2,052	3,432,052	See above	105,424	\$46.59	\$4,911,704
Public Institutions	1,844	5,097,844	See above	155,148	\$46.59	\$7,228,345
Annualized Totals	9,805,555	19,605,555		861,393		\$26,348,129

For individuals we have used the median hourly wage for all occupations, \$22 per hour according to BLS. [https://www.bls.gov/oes/current/oes\\_nat.htm#00-0000](https://www.bls.gov/oes/current/oes_nat.htm#00-0000) .

For institutions we have used the median hourly wage for Education Administrators, Postsecondary, \$46.59 per hour according to BLS. <https://www.bls.gov/oes/current/oes119033.htm> .

*Please ensure the annual total burden, respondents and response match those entered in IC Data Parts 1 and 2, and the response per respondent matches the Paperwork Burden Statement that must be included on all forms.*

13. **Provide an estimate of 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.)**
  - **The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and acquiring and maintaining record storage facilities.**
  - **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis**

associated with the rulemaking containing the information collection, as appropriate.

- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government or (4) as part of customary and usual business or private practices. Also, these estimates should not include the hourly costs (i.e., the monetization of the hours) captured above in Item 12.

Total Annualized Capital/Startup Cost : \_\_\_\_\_  
 Total Annual Costs (O&M) : \_\_\_\_\_  
 Total Annualized Costs Requested : \_\_\_\_\_

There are no new system start-up costs.

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

There are no additional costs to the Federal government as a result of the regulations.

15. Explain the reasons for any program changes or adjustments. Generally, adjustments in burden result from re-estimating burden and/or from economic phenomenon outside of an agency’s control (e.g., correcting a burden estimate or an organic increase in the size of the reporting universe). Program changes result from a deliberate action that materially changes a collection of information and generally are result of new statute or an agency action (e.g., changing a form, revising regulations, redefining the respondent universe, etc.). Burden changes should be disaggregated by type of change (i.e., adjustment, program change due to new statute, and/or program change due to agency discretion), type of collection (new, revision, extension, reinstatement with change, reinstatement without change) and include totals for changes in burden hours, responses and costs (if applicable).

Provide a descriptive narrative for the reasons of any change in addition to completing the table with the burden hour change(s) here.

	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate
Total Burden			
Total Responses			
Total Costs (if			

applicable)			
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There have been no changes to the regulations. We continue to estimate 19,605,555 responses and 861,393 total burden hours.

- 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.

- 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 Department is not seeking this approval.

- 18. Explain each exception to the certification statement identified in the Certification of Paperwork Reduction Act.**

The Department is not requesting any exceptions to the "Certification for Paperwork Reduction Act Submissions".