

## THE SUPPORTING STATEMENT

### Specific Instructions

#### A. Justification

##### 1. Circumstances Making the Collection of Information Necessary

The Refugee Cash and Medical Assistance (CMA) program, implemented by the Office of Refugee Resettlement (ORR) in the Administration for Children and Families (ACF), DHHS, is a reimbursement program for costs incurred by States and non-profit organizations in providing assistance to refugees, asylees, Cuban/Haitian entrants, Amerasians, Afghans and Iraqis with Special Immigrant Visas, and victims of trafficking. The program reimburses States and non-profit organizations for the costs they incur in providing four types of assistance: cash assistance, medical assistance, medical screening, and services for unaccompanied minors. The program also reimburses grantees for their administrative costs. Reimbursement is provided through both mandatory and discretionary grant awards.

Currently, grantees under this program submit the SF-425 Federal Financial Report on a quarterly basis. In the SF-425 Federal Financial Report, grantees report total expenditures and unliquidated obligations that include costs for all components of the program and for administrative costs combined.

Since CMA is a reimbursement program, it is essential that ORR be able to project accurately what the costs of the program will be for each fiscal year in order to ensure that States are fully reimbursed. ORR regulations at 45 CFR Part 400.211 (attached) prescribe a specific methodology to be used by ORR each year in determining the number of months for which each year's appropriation will provide full reimbursement (the time-eligibility period). Currently, ORR provides reimbursement for up to eight months of cash and medical assistance to eligible populations and for services to unaccompanied minors until emancipation. During the year, ORR continuously updates the estimating model to ensure that funds will be available to reimburse grantees for the current time-

eligibility period. If ORR were to determine that funds were inadequate for the time-eligibility period, ORR would reduce the number of months of eligibility so that funds would be available for the entire year for cost reimbursement. This process ensures that all grantees are reimbursed for the services and assistance that they provide during the time-eligibility period.

The methodology at 45 CFR Section 400.211 requires that cost estimates be derived for each component of the program separately. The reason for this requirement is that the different components of the program increase in cost each year at differing rates. For instance, grantee administrative costs generally increase at a slower rate than do medical assistance costs. Since the accuracy of the overall cost prediction is greatly enhanced by using different inflators for each component of the program, financial reporting for each component of the program separately is critical to accurate predictions and to ensuring full reimbursement of grantees' costs.

ORR is therefore proposing a data collection form - the ORR-2 - Quarterly Report on Obligations and Expenditures - that, in addition to providing the same information as the SF-425 Federal Financial Report currently does, would also provide a breakdown of costs incurred by program component. Since the information to be collected on this form fulfills both the SF-425 Federal Financial Report requirement and the requirements of program component expenditure reporting required by 45 CFR Part 400.211, States would be able to fulfill both reporting requirements simultaneously in one form to minimize overall reporting burden. ORR requests that the ORR-2 substitute for the SF-425 requirement, rather than be in addition to the SF-425 requirement, for this program.

## **2. Purpose and Use of the Information Collection**

As noted above, this proposed quarterly information collection would fulfill both the financial reporting requirement of the SF-425 Federal Financial Report and the program component cost reporting requirement of 45 CFR Part 400.211. In addition to providing ORR with the data necessary for accurate cost estimation to ensure that grantee expenditures on refugee resettlement will be

fully reimbursed for the allowable time-eligibility period, these data are also critical for effective monitoring of grantees' use of federal funds. The data will be used internally only.

Review of grantee expenditures and obligations is an ongoing component of grantee monitoring to ensure that funds are being used appropriately. Currently the SF-425 Federal Financial Report provides these critical obligation and expenditure data but only for all components of the program combined. A reporting form that provides these same data broken out by program component would greatly enhance this ongoing monitoring effort by providing information on changes and trends in each component of the program.

In addition, the program-component-level cost data would contribute to the accuracy of the estimating model for program expenditures. The SF-425 Federal Financial Report does not provide all the data required for accurate cost projections of a multi-component program in which, historically, the different program components of the program have reflected different trends in costs. These data will enhance ORR's ability to verify continually that funds will be adequate for the entire fiscal year and to ensure that no grantee experiences a reimbursement shortfall.

The ORR-2 - Quarterly Report on Expenditures and Obligations is proposed to provide, in a manner that minimizes grantee reporting burden, both the data needed to meet the requirements of the SF-425 Federal Financial Report as well as the additional breakdowns of expenditures and obligations by program component that are critical to accurate cost projections.

**3. Use of Improved Information Technology and Burden Reduction**

This data collection form will be made available to grantees both in hard copy form and through ACF's Online Data Collection (OLDC) System. ORR grantees already use OLDC to report financial data for ORR's mandatory grants. This form will therefore also be made available to grantees through OLDC to simplify the reporting process.

**4. Efforts to Identify Duplication and Use of Similar Information**

No similar information collection exists that could be substituted for the information needed for program cost projections as required by 45 CFR Part 400.211. By proposing a form that would fulfill simultaneously the two requirements of providing data for financial review of grantee implementation of CMA projects and the data needed for accurate cost projections, this information collection would eliminate all potential duplication in information collection. It is proposed that the ORR-2 Quarterly Report on Expenditures and Obligations fulfill the requirement of the SF-425. Requiring grantees to submit both the SF-425 Federal Financial Report and a separate form for program component-level expenditures might create unnecessary duplication.

**5. Impact on Small Businesses or Other Small Entities**

The information to be collected is the minimum needed to meet the requirements of financial monitoring and cost projection. There will be no impact on small businesses.

**6. Consequences of Collecting the Information Less Frequently**

Collecting this information less frequently than quarterly would make ongoing monitoring of the costs being incurred under this reimbursement program less timely. Quarterly reporting allows sufficiently frequent tracking to ensure that CMA allocations fully reimburse grantees for their costs. SF-425 Federal Financial Reports are currently reviewed by program specialists and are tracked in an Excel spreadsheet throughout each year. The same level of review and tracking is planned for data provided through this information collection.

ORR also uses financial data from grantees on an ongoing basis to update cost estimates. Quarterly cost estimates contribute to ensuring that federal funds are available to reimburse all grantees for the time-eligibility period.

Quarterly reporting is also used in determining quarterly allocations of funds to grantees. Costs among grantees can vary significantly over the course of a year depending upon the number and characteristics of the eligible

population being resettled in their State. Allocations are recalculated each quarter so that awards will provide adequate reimbursement to grantees for their costs each quarter. ORR's ability to determine quarterly allocations to grantees that will adequately reimburse their costs would be adversely affected by less frequent reporting.

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

There are no special circumstances pertaining to this form. Respondents will report quarterly. Respondents have more than 30 days to prepare responses; the data collection form will be available continuously to grantees from the beginning date of an award, thus allowing ample time for collecting data and reporting. Respondents submit either one original and one copy in hard copy or respondents submit one form electronically through ACF's Online Data Collection System. Respondents do not need to retain records for more than three years after submission of the final expenditure report. There is no requirement for confidential information. The data collection is not a statistical survey.

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

The 60 day Federal Register notice was published 12/13/2011, Vol. 76, page 77540.

There have been no comments in response to the Federal Register notice. In addition to publication in the Federal Register, ORR also conducted a webinar for all of the grantees that would be required to compile expenditure data and submit the new ORR-2 form. The draft form was presented and discussed. In addition, the draft form was distributed to grantees that requested it. No comments on the form have been received.

**9. Explanation of Any Payment or Gift to Respondents**

There will be no payment or gift to respondents.

**10. Assurance of Confidentiality Provided to Respondents**

Since the respondents will be grantee organizations, rather than individuals, and since the reporting will be on expenditures and obligations of federal grant funds, there will be no assurance of confidentiality; and no

Privacy Act System of Records will be established.

**11. Justification for Sensitive Questions**

There are no sensitive questions in this data collection. The collection is for grantee data on expenditures and obligations of federal grants. No personal identification numbers are required.

**12. Estimates of Annualized Burden Hours and Costs**

There will be approximately 58 respondents. The respondents consist of three types of grantees. Most of the Refugee Resettlement programs are implemented by State agencies. There are also currently twelve refugee resettlement programs that are administered under the Wilson/Fish provision of the Refugee Resettlement Act. The Wilson/Fish grantees (both State agencies and non-profit organizations) implement refugee resettlement programs by providing cash assistance through non-profit organizations. Finally, when a State agency withdraws from the refugee resettlement program, the director of ORR may select a temporary State Replacement Designee to implement the State-wide refugee resettlement program until a Wilson\Fish project is established. Currently, there are no State Replacement Designees in the program. State agencies and State Replacement Designees are allocated funds through mandatory grant actions; Wilson/Fish grantees are allocated funds through discretionary grant actions. Therefore, this data collection form will be used by both mandatory and discretionary grantees.

These grantees will prepare the ORR-2 Quarterly Report on Expenditures and Obligations four times a year; it is estimated that the time required each quarter will be 1.5 hours, or 6 hours per year. The basis for this estimate is the current estimate of 1.5 hours for the SF-425 Federal Financial Report. The ORR-2 is not anticipated to involve any additional data collection burden on grantees since these data are already being collected, cumulated, and reported quarterly on the SF-425 Federal Financial Report. There is no additional incremental cost.

This data collection form would also be simplified, compared to the SF-425 Federal Financial Report which

contains data elements not relevant to the CMA program. The new ORR-2 data collection form will include only the data actually needed by the Office of Refugee Resettlement to monitor grantees and to provide data for program cost projections. All line items from the SF-425 Federal Financial Report that do not apply to these grants would be dropped from the data collection form; e.g., program income and recipient share, neither of which is relevant to the CMA program. Also, only quarterly cumulative data will be included; in accordance with the SF-425 Federal Financial Report, reporting on the previous quarter's expenditures and obligations would no longer be required. By requiring only data that grantees are already collecting and simplifying the form to delete previous quarter reporting and line items not relevant to this program, ORR intends that the burden hours will not exceed the burden hours of the form currently being used; i.e., the SF-425 Federal Financial Report.

INSTRUMENT	NUMBER OF RESPONDENTS	NUMBER OF RESPONSES PER RESPONDENT	AVERAGE BURDEN HOURS PER RESPONSE	TOTAL BURDEN HOURS
ORR - 2 Quarterly Report on Expenditures and Obligations	58	4	1.5	348
TOTAL	58	4	1.5	348

The monetary value of this burden is 348 hours times \$40 or \$13,920.

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

It is not anticipated that there will be any Other Annual Cost Burden to Respondents and Record Keepers. CMA grantees currently report this data in a cumulative form. This form requires the data be reported broken down by the four components of the program and by administrative costs, as well as totals.

**14.**

## **Annualized Cost to the Federal Government**

There is no cost to the Federal Government.

### **15. Explanation of Program Changes or Adjustments**

This is a new data collection.

### **16. Plans for Tabulation and Publication and Project Time Schedule**

There are no plans to publish these data. These data are for internal use only in monitoring the performance of grantees, in providing ongoing estimates of program costs to ensure that all costs can be reimbursed, and in allocating sufficient funds each quarter to ensure that grantees are reimbursed for all costs incurred. These data will be entered into an Excel spreadsheet and tracked by program component and total cost. Program Specialists will have access to the forms as submitted and to the program-wide spreadsheet to assist them in financial monitoring of the grantees for which they are responsible. Additionally, the program component totals will be entered into the estimating methodology and used to project costs.

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

The OMB Expiration Date will be displayed on the information collection.

### **18. Exceptions to Certification for Paperwork Reduction Act Submission**

No exceptions.

### **B. Collections of Information Employing Statistical Methods**

Statistical methods are not applicable.