

## **SUPPORTING STATEMENT**

January 2018

### **PRA Generic Clearance for Financial Reports used for ACF Mandatory Grant Programs**

#### **A. Justification**

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

The authorities to collect and report the information requested on these forms are found in various statutes and Public Laws, including Titles IV-A, IV-D and IV-E of the Social Security Act, the “Child Care and Development Block Grant Act,” as amended, and the “Immigration and Nationality Act of 1952,” as amended. State or Tribal agencies administering these programs, following plan approvals by ACF, are required by several statutes and Federal regulations applicable to HHS programs, including 45 CFR Part 75, to maintain complete records and a system to report this information.

These programs each provide aggregate Federal funding to grantees in amounts ranging from approximately \$1 billion to over \$17 billion per year. As such, these programs require detailed financial information from their grantees that allows ACF to monitor various specialized cost categories within each program, to closely manage program activities and to have sufficient financial information to enable periodic thorough and detailed audits.

The information included on Form SF-425 provides only minimal, bare-bones, non-program-specific financial information insufficient for these purposes.

The total number of mandatory grant programs within ACF is 40. Of the 40 ACF mandatory grant programs eight currently do not use the SF-425 and are cleared under the PRA through the regular process. If approved those programs currently using the SF-425 would be able to use this generic clearance.

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

The information collected through the use of these forms is used to:

- a. Monitor program operations and prepare technical assistance and guidance as needed;
- b. Assist in the computation of the grant awards issued to each program’s grantees or annual incentive payments (Child Support Enforcement Program only);
- c. Determine that child support collections are being properly distributed (Child Support Enforcement Program only);

- d. Produce annual financial and statistical reports as may be required by Congress and respond to periodic detailed inquiries from Congress.

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

In accordance with ACF policy published in the Federal Register June 28, 2013 (78 FR 38989 et. seq.) all grantees are required to electronically file financial reports online. ACF maintains OLDC, the “On Line Data Collection” system as the electronic online data entry portal for grantees for these grant programs.

All grantees for these programs submit their financial data online. The financial data entered by each grantee for these programs is transferred to GATES (the in-house “Grants Administration Tracking and Evaluation System”), GrantSolutions, or other program, where it is available for a thoroughly reviewed and approval by Federal financial staff.

At the time of this Supporting Statement, GATES is in the process of being updated with a new “Mandatory Grants Module,” scheduled to be implemented sometime during FY 2018.

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

Information collected in these reports is not available through any other Federal source.

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

These forms are completed only by the State and Tribal governmental agencies administering these programs. Small businesses and other entities are not involved.

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

The financial data collected with the submission of these forms is used extensively by each program to monitor program activities. It allows the Federal program and financial staffs to assess the effect of previous changes to program operations and to recommend additional changes. For several programs, failure to collect this data on a quarterly basis would preclude the Department from accurately calculating and issuing these awards in a timely manner.

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

Collection of State financial data is consistent with guidelines. The information requested is necessary to satisfy statutory requirements.

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

The 60 day Federal Register notice was published 12/19/2017, vol. 82 and page 58613. No comments were received.

In addition to the solicitation for comment in the Federal Register Notice, each of these financial reporting forms for each of these separate ACF mandatory grant programs is constantly being reviewed by ACF financial staff in headquarters and the ten Regional Offices. Whenever it becomes necessary to revise or change any of these forms, advise and suggestions are solicited directly with every program grantee and any affiliated advocacy group to assure the changes are rational and reasonable and meet the requirements of Federal law and the ability of grantees to provide the requested information.

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

No individual or organization assisting in any periodic effort to review, revise or upgrade these reporting forms receives any remuneration for their participation.

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

Any comments or assistance from non-Federal sources comes with no expectation of privacy or confidentiality. Any received comments, suggestions or criticisms would be distributed to all grantees and other interested parties for review and further discussion, if warranted.

**11. Justification for Sensitive Questions**

Data collected are not of a sensitive nature.

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

Information Collection	Respondents	Annual Frequency	Burden per Response	Annual Burden
Mandatory Grant Financial Reports	1000	4	10	40,000 hours

With an estimated annual burden of 40,000 hours and an annual burdened hourly rate of \$50.00 per hour the total opportunity cost is \$2,000,000.

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

Federal grantees are required to maintain extensive and accurate accounting records as a condition of receiving any Federal grant. Any costs associated with collecting and maintaining this information is, generally, considered an administrative cost allocated to each program, as appropriate, and is eligible for Federal funding. As such, there is no additional cost burden to respondents to provide the information being requested on these financial reporting forms.

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

Estimate average cost to the Federal government is \$400,000 per year. This includes the initial cost of incorporating periodic form changes into online programming, using collected data in the computation of quarterly Notices of Award, tabulating and analyzing collected data, and publishing aggregate information in an annual report.

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

This is a new request. Changes or revisions to financial reporting forms are primarily generated by either the repeal or amendment of existing statutes, regulations or policies or the enactment and publication of new statutes, regulations or policies.

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

Information on these forms is published in aggregate and State-by-State or Tribe-by-Tribe formats and in combination with other programmatic data collected by this Agency. The data are published following each fiscal year, once received from every grantee, in an annual report available to the general public. No complex analytical techniques are required.

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

Such approval is not being sought; the expiration date will be shown as needed.

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

None.

**B. Statistical Methods (used for collection of information employing statistical methods)**

Not applicable. The financial information supplied by the States must be auditable and in conformance with generally accepted accounting principles and cannot be reported using sampling, estimating or other statistical methodologies.