

additional hours (of nonrecurring recordkeeping and reporting burden) to change accounting structures; develop, test, review, and document accounting software queries; design query reports; prepare a download methodology; and train personnel. Further, the Department also estimates that on average unions will take an additional (recurring) 0.6 hours to prepare the new schedule. The additional reporting burden is a net estimate that includes a 50% decrease in reporting burden that results from moving from the current manual or "cut and paste" method for the existing schedule to an electronic data export capability on the revised form for the Tier 2 and Tier 3 filers. Moreover, OLMS e.LORS data indicates that "other receipts" represent only 8.8% of total receipts and that the average amount that would have to be itemized on the schedule is \$309,999. Therefore, Form LM-2 filers would have to electronically report at most an average of just 62 other receipts per year (and probably far less since some receipts will be more than \$5,000). The Department also estimates that on average unions will take an additional (recurring) 2.7 hours of recordkeeping burden. Currently, this supporting schedule requires some detail (description and amount) for other receipts but does not require the date or name and address. The public comments also suggest that 60% of the national and international unions already maintain written records for the information required by the new "other receipts" schedule.

For the five new disbursement schedules (representational activities; union administration; general overhead; contributions, gifts and grants; and political activities and lobbying), the Department estimates that on average unions will take 10.3 additional hours (of nonrecurring recordkeeping and reporting burden) to change accounting structures; develop, test, review, and document accounting software queries; design query reports; prepare a

download methodology; and train personnel. Further, the Department also estimates that on average unions will take an additional (recurring) 6.0 hours time to prepare the new schedules. This additional reporting burden is a net estimate that includes a 50% decrease in reporting burden that results from moving from the current manual or "cut and paste" method for the existing "other disbursements," "office and administrative expense," and "contributions, gifts, and grants" schedules to an electronic data export capability on the revised form for the Tier 2 and Tier 3 filers. Moreover, OLMS e.LORS data indicates that disbursements on these five schedules account for just 23.2% of total disbursements and that the average amount that would have to be itemized on the schedules is \$822,953, or \$164,591 per schedule. Therefore, Form LM-2 filers would have to electronically report at most an average of just 33 disbursements per schedule per year (and probably less since some disbursements will be more than \$5,000).

The Department also estimates that on average unions will take an additional (recurring) 22.0 hours of recordkeeping burden to record the name, address, and date of disbursements. Currently, three disbursement supporting schedules require some detail (description and amount) but do not require the date or name and address. The public comments also suggest that many unions maintain records as part of their normal business practice that reflect the required detail for disbursements, but that 10 to 40% of unions could not provide all of the detail required by the Department's proposal.

For the new membership schedule, the Department estimates that on average unions will take 4.9 additional hours (of nonrecurring burden) to develop, test, review, and document accounting software queries; design

query reports; prepare a download methodology; and train personnel.

The Department also estimates that on average unions will take an additional 2.1 (recurring) hours to prepare the new schedules. Since the final rule does not require unions to manufacture or report information for membership categories they do not keep, the Department has not estimated any additional recordkeeping burden for this schedule.

For the revised Form LM-2, the Department estimates that unions will take an average of two hours to obtain each electronic signature (two signatures are needed). There is also a charge of \$45 to obtain each electronic signature and a \$5 processing fee. The Department also estimates that the union president and secretary-treasurer will take an average of 4 additional hours (two hours each) to review and sign the form on top of the 2.4 hours they already spend reviewing the current form. The additional time for the president and secretary-treasurer to review and sign the form declines to two hours the second year and one hour the third year as they become more familiar with the revised form.

Finally, the Department estimates that 5% of Form LM-2 filers will submit a Continuing Hardship Exemption Request in the first year and that it will take 1.0 hour to prepare this request. The Department further estimates that 3% of Form LM-2 filers will submit a hardship request in the second year and that 1% will submit a request in the third year. The Department assumes that most, if not all, of the hardship exemptions that will be requested will come from the smaller tier 1 Form LM-2 filers. Therefore, the Department estimates that there will not be a reduction or increase in reporting burden hours aside from the additional 1.0 hour to make the request since the amount of time to "cut and paste" and print the reports is not much different on average than the time to "cut and paste" and electronically submit.