

SUPPORTING STATEMENT

U.S. Small Business Administration PRIME Request for Extension

A: JUSTIFICATION

1. Circumstances necessitating the collection of information

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.

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Information collection is necessary to ensure that program activity meets the statutorily stated uses of assistance which are to:

1. Provide training and technical assistance to disadvantaged entrepreneurs
2. Provide training and capacity building services to microenterprise development organizations and programs and groups of such organizations to assist such organizations and programs in developing microenterprise training and services
3. Aid in researching and developing the best practices in the field of microenterprise and technical assistance programs for disadvantaged entrepreneurs, and;
4. Support other activities as the Administrator determines to be consistent with the purposes of the PRIME program. See 13 CFR 119.4

Information collection is not specifically mandated in the statute. However, the Act instructs the Administration to, by regulation, establish such requirements as may be necessary to carry out the purpose of the program. To that end, and understanding that reporting and recordkeeping are necessary to ensure that the goals of the program are met that grant funds are appropriately utilized, and to answer questions posed by Members of Congress, reporting and recordkeeping requirements are imposed on the PRIME grantees. These requirements are set out in 13 CFR section 119.16, as well as the Notice of Award that is issued to each grantee. See pages 12 – 15 of the Notice of Award. In the event, there are conflicting or otherwise inconsistent policies applicable to this award, the order of the Notice of Award (OMB-3245-0140) SBA Form 1222 shall prevail.

2. How, by whom, and for what purpose information will be used

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.

Information is used by:

- SBA staff, to ensure that appropriate services are being provided to-
 - Disadvantaged and very-low income entrepreneurs;
 - Organizations assisting very-low income and disadvantaged entrepreneurs;
 - Organizations developing new approaches and researching best practices to assist disadvantaged entrepreneurs

- Reporting participants (PRIME grantees), to assist them in managing their funding, and providing appropriate services.
- Information is also used by participants to manage client progress over time.

3. Technological collection techniques

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 the burden.

PRIME program reporting does not currently utilize a standardized electronic reporting technique. Grantees requesting client specific information may use in-house electronic data management systems, but this is not required by SBA. Standard OMB forms 269 and 270 are utilized to report financial assistance activity and to request advance payment or reimbursement of expenses. These forms are accessed electronically, but require an original signature and are therefore submitted via mail to SBA. All other reporting is submitted in hard copy as summary narrative information pursuant to OMB circulars, but may come in via fax or e-mail.

The PRIME program is very small and may provide grants for three specifically different purposes. Reporting via an electronic system has been discussed but would require additional burden to the reporting entities. While electronic collection is consistent with SBA's goal to comply with GPEA and the President's E-gov initiative, the cost of design and time for implementation is deemed, at this time, to outweigh the benefits of such a project. SBA will continue to keep open viable options for electronically collecting this information in the future.

4. Avoidance of Duplication

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.

PRIME reporting is designed to avoid duplication to the extent that reported information is exclusive to both the grant activity, and the individual grantee. Each organization reports its individual spending and financial requirements pursuant to OMB circulars using OMB forms. Activity reports are reported in accordance with OMB guidance for narrative reports. Data may be collected by grantees regarding ultimate beneficiaries using internal information gathering techniques thus avoiding internal duplication of effort. Data is reported to SBA on a summary basis only. Records are kept by the grantees in the event of a site visit or an audit, but, are not required to be kept for more than 24 months.

5. Impact on small businesses or other small entities

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

The information collection does not have a substantial economic impact on a significant number of small businesses or other small entities. The collection does have a minimal impact on participating grantees, some of whom would be classified as small. While some of the information comes from businesses that are assisted by the grantee, based on discussions with some of the grantees, the impact on the businesses is insignificant.

Again, the reporting burden is minimized by utilization of standard OMB forms 269 and 270 for financial information and reimbursement requests.

6. Consequences if collection of information is not conducted

Describe the consequence to the 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.

Collection of information is minimal and, in the cases of Technical Assistance providers and Capacity Builders, may be reduced over time. Further reduction or cessation of information collection could put the Government at risk of waste, fraud, and/or abuse.

7. Existence of special circumstances

Explain any special circumstances that would cause an information collection to be conducted in a manner:

None of the categories are applicable.

8. Solicitation of Public Comment

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. Describe efforts to consult with persons outside the agency...

SBA issued a notice for public comment on November 13, 2003 at 68 FR 64410: no comments were received. A copy of the notice is attached.

9. Payment of gifts

Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments or gifts will be provided.

10. Assurance of Confidentiality

Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The collection of business and personal information may implicate the Trade Secret Act and Privacy Act respectively. However, the information collected will be kept confidential to the extent permitted by law.

11. Questions of a sensitive nature

Provide additional justification for any questions of a sensitive nature) such as sexual behavior and attitudes, religious belief" 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.

The purpose of PRIME is to assist disadvantaged entrepreneurs and to improve services provided on their behalf. Questions of a sensitive nature include identifiers such as name, address, ethnicity, and income level as collected by the Technical Assistance grantees. Response to such questions is voluntary. However, the questions are necessary to ensure that grantees are reaching disadvantaged entrepreneurs. Sensitive information is available only at the source, and to Agency personnel with appropriate security protections. Reports include summary data only. And, the sensitive information will be protected to the extent permitted by law, including the Privacy Act and the Freedom of Information Act. 5 USC 552.

12. Estimate the hourly burden of the collection of information

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.*

There are approximately 39 respondents expected over the next two years. The maximum number of responses per respondent per year is four. Via discussion with a number of respondents, it has been estimated that the total reporting requirement is approximately two hours per quarter. This total reporting requirement includes the narrative performance report, and financial status reports. As part of the narrative performance reports, grantees will report on the progress of clients as indicated in the Notice of Award. Utilizing an annualized response time, reporting should not exceed more than 8 hours per year per grantee, or 312 hours per year for the entire group of respondents.

** Provide estimates of annualized cost to respondent for the hour burdens for collections of information, identifying and using appropriate wage rate categories*

Via discussions regarding compensation costs with management level personnel at the respondent level, a cost estimate was arrived at using the average level of total compensation for respondent personnel performing data input. This amount is approximately \$15.00 per hour per participant, resulting in a collective cost to the total pool of respondents of approximately \$4,680 per year. (312 hours times \$15.00 = \$4,680).

13. Estimate the total annual cost burden for submission

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).

Capital and start-up costs are not considered because respondents must have the capability to report in order to be considered qualified to enter the group of respondents.

14. Annualized Cost to the Federal Government

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 and any other expense that would not have been incurred without this collection of information.

Costs to the government include salaries and expenses for approximately 70 percent of the time for a GS-11 employee and 5 percent of the same items for a GS-14 to accomplish reviews, reports for compliance, activity, and acceptable uses of funds. The annualized cost is approximately \$42,500.

15. Explanation of program changes in Items 13 or 14 on OMB Form 83-1

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

The increase in the total annual hours requested is due solely to the increase in the number of grantees from 27 to 39. The actual burden per grantee has not increased. Likewise, the estimate of the cost burden rose due to the increase in the number of grantees.

16. Collection of information whose results will be published.

For collection of information whose results will be published, outline plans for tabulation and publication. Address complex analytical techniques ... Provide time schedules/or the entire project...

Not applicable

17. Expiration date for collection of information

If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why the display would be inappropriate.

Not applicable.

18. Exceptions to certification in block 19 on OMB Form 83-1

Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions." of OMB Form 83-1

Not applicable.

B. Collection of Information Employing Statistical Methods

Not applicable.