

OMB FORM 83-I SUPPORTING STATEMENT

*PAPERWORK REDUCTION ACT SUBMISSION FOR  
U.S. SMALL BUSINESS ADMINISTRATION'S (SBA)  
SMALL BUSINESS INVESTMENT COMPANY (SBIC) PROGRAM*

*INFORMATION COLLECTION 3245-0009  
SBA FORM 480: SIZE STATUS DECLARATION*

A. Justification

1. Circumstances necessitating the collection of information. The Office of Investment (OI) of the Small Business Administration (SBA) licenses and regulates small business investment companies ("SBICs"). Pursuant to section 102 of the Small Business Investment Act of 1958, as amended, and 13 CFR 107.700, an SBIC may provide financial and consulting/advisory assistance only to concerns that qualify as "small business concerns". Accordingly, it is necessary for an SBIC to determine if a prospective recipient of financing or consulting services ("Applicant") meets SBA size standards for a small business concern.

13 CFR 121.301(c) sets forth the size standards that the SBIC program uses to establish the eligibility of Applicants. An Applicant can qualify based on either of two alternative size standards; one is based on the tangible net worth and net income of the Applicant and its affiliates and the other is based on the standard for the specific industry in which the Applicant is primarily engaged or the primary industry of the applicant and its affiliates, whichever is higher. The SBIC uses SBA Form 480, Size Status Declaration, to certify that an Applicant qualifies for assistance by meeting at least one of these small business size standards.

2. How, by whom, and for what purpose information will be used. The information collected is a certification of small business size status. The information collected on Form 480 is used to confirm that all financings by SBICs are made to small business concerns as defined by section 103(5) of the Small Business Investment Act and 13 CFR 121.301(c). The completed form is retained by the SBIC in its files, as required by section 308(h) of the Small Business Investment Act. Completed forms are reviewed periodically by an SBA examiner as part of his/her on-site examination of the SBIC. SBA conducts these examinations pursuant to the statutory requirement of section 310(c) of the Small Business Investment Act, as amended, and 13 CFR 107.690-691. The purpose of the examination as provided by statute is to determine, in part, whether or not the SBIC has engaged "solely in lawful activities and those [activities] contemplated" by title III of the Small Business Investment Act. As part of its effort to meet this statutory requirement, SBA's Office of SBIC Examinations reviews information collected on SBA Form 480, Size Status Declaration, as part of each on-site SBIC examination, which is required by statute to occur at least biennially (15 U.S.C. Section 687b(c)).
3. Technological collection techniques. SBA Form 480 is available to SBICs and Applicants at <http://www.sba.gov/content/sba-form-480-size-status-declaration>. This is a fillable form that can be printed out when completed and/or saved as a pdf file. No provision has been made for electronic submission of the form, because it is retained by the SBIC in its own files and is not submitted to SBA.

4. Avoidance of Duplication. SBA Form 480 is a self-certification of the size of an Applicant. This information is not reported in any other format. Therefore, there is no duplication of information with this form.
5. Impact on small business or other small entities. The Applicants asked to complete the form are small businesses, but the impact on these businesses is not significant. Most companies that receive assistance from SBICs qualify under Part A of the form, which requires a yes/no response to only two questions. For those that do not qualify under Part A and must complete Part B, the required information concerning annual receipts or number of employees is the type of information that companies would generally maintain in the normal course of business. SBA Form 480 has been designed to capture the minimum amount of information necessary to determine compliance with the Small Business Investment Act and SBA regulations.
6. Consequences if collection of information is not conducted. There is no similar information available that can be used to accomplish the purpose of this collection. Without a certification of small business size status, it is more likely that larger businesses that do not conform to SBA's size standards could benefit from SBIC financing intended for small businesses.
7. Existence of special circumstances. Applicants are required to complete SBA Form 480 prior to the provision of assistance by an SBIC. The SBIC, in turn, will certify that the Applicant does meet current size standards, based on all the information available to the SBIC. Since the form must be completed in conjunction with each initial financing of a small business, the frequency of collection may be more than quarterly. In SBA's experience, this procedure is necessary to ensure that an Applicant is a small business concern as defined by the Small Business Investment Act and SBA regulations. In addition, collection of the information prior to the provision of financial assistance is necessary to meet the statutory requirement for certification of a small business' size pursuant to section 308(h) of the Small Business Investment Act.
8. Solicitation of public comment. A notice was published in the Federal Register on Tuesday, August 6, 2013, 78 FR 47813. No comments were received.
9. Payment or gifts. No payments or gifts are provided to respondents.
10. Assurance of confidentiality. Assurances of confidentiality to the extent permitted by law are provided to Applicants of SBIC financing responding to this collection. SBA Form 480 includes confidential financial data, which is protected from disclosure under the Freedom of Information Act; specifically, exemptions 4, 6 and 8, which allow SBA to withhold financial data on individual companies. Records are maintained under conditions designed to preclude access by persons other than Agency personnel with a need to know.
11. Questions of a sensitive nature. SBA Form 480 requests of an SBIC's portfolio companies confidential business and financial information, which SBA reviews to verify information reported by an SBIC and to determine whether an SBIC has engaged in prohibited actions. This information is needed to fulfill SBA's statutory responsibilities with respect to SBIC

examinations. The information is not retrieved by individual identifiers, therefore a Privacy Act system of record is not required.

12. Estimate of the hourly burden of the collection of information. A small sample of respondents was consulted regarding the amount of time required to prepare SBA Form 480. The estimated annual hour burden of this information collection:

Number of respondents – 2,500

Number of responses per respondent – 1

Estimated hours to complete form – 0.1667 hours (10 minutes)

Total burden hours – 417

The estimated hourly cost to respondents is calculated using the mean hourly wage of \$33.72 (mean annual salary rate of \$70,150) for an accounting manager of a company or enterprise (rate obtained from the 2011 Bureau of Labor Statistics, Occupational Employment Statistics):

Estimated total hour cost: [ $\$34 \times 0.1667$ ]  $\times$  2,500 = \$14,170

13. Estimate of total annual cost burden. There is no annual cost burden to respondents other than the cost of the hour burden provided in item 12.
14. Estimated annualized cost to the Federal government. The information collected in SBA Form 480 is retained by each SBIC in its own files. SBIC program examiners review the information collected at the time of their examination of a SBIC. The review of Form 480 is a very small part of the total examination. As a result, the cost to the Federal government is negligible.
15. Explanation of program changes in Items 13 or 14 on OMB Form 83-I. There are no changes.
16. Collection of information whose results will be published. Not applicable. Results of this collection of information will not be published.
17. Expiration date for collection of information. Not applicable. The expiration date will be displayed.
18. Exceptions to certifications in Block 19 on OMB Form 83-I. Not applicable. There are no exceptions to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB 83-1.

B. Collection of Information Employing Statistical Methods

This collection of information does not employ statistical methods.

Attachments:

- SBA Form 480, Size Status Declaration
- Federal Register Notice
- Authorizing Statutory and Regulatory Provisions