

Supporting Statement for Paperwork Reduction Act Submission  
SBA Form 641 and Form 888 – Entrepreneurial Development Management Information System  
(EDMIS), Counseling Information Form and Management Training Report

**A. Justification:**

**1. 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.**

The purpose of the Entrepreneurial Development Management Information System (EDMIS) is to collect information on clients that use SBA Entrepreneurial Development (ED) programs and resources, including Women’s Business Centers (WBC), Small Business Development Centers (SBDC), SCORE, and Veterans Business Outreach Center programs. These programs are funded by grants or cooperative agreements. The recipients of these awards, referred to collectively as SBA’s resource partners, are required by the terms of their Notice of Award and as outlined in each Program Announcement, to collect the information on SBA Form 641 from each small business or prospective small business and submit summary reports based on the collected information to SBA through EDMIS. These resource partners are also required to submit the data collected by Form 888, Management Training Report, through EDMIS

**2. 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.**

SBA resource partners collect the information from individual entrepreneurs and potential entrepreneurs at the point of client contact.

The information is pertinent to management’s analysis of each OED program or activity funded by SBA and assists SBA in evaluating the impact of each program or activity. The information is also used to support SBA’s budget requests, performance plans, evaluations and other submissions made to the Office of Management and Budget, the President and the Congress. Finally, the information is used to prepare reports for Congress and the President in compliance with, for example, sections 10, 21, 22 and 29 of the Small Business Act (15 U.S.C. §§, 639, 648, 649 and 656, respectively) Excerpts of the pertinent texts from these sources are attached.

**3. 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 adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

EDMIS is a simple SBA-developed and maintained data collection system available on the Internet. Users authenticate with the web server, then log into the SBA security system using unique

identifications (IDs) and passwords. This electronic system greatly lessens the burden on respondents and SBA, ultimately allowing for more efficient services to our clients.

EDMIS is used to collect and transmit the data provided on SBA Forms 641 and 888, which are available for download electronically. In general SBA Form 641, parts 1 & 2, is filled out manually by individual clients; the data is then uploaded and submitted electronically through EDMIS to SBA. However, in some instances the client will meet with a resource partner consultant who will enter data into the computer directly, without the client needing to complete the Form 641. Form 888 data is also submitted electronically through EDMIS.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for the purposes described in item 3 above.**

Resource partner consultants fill out an abbreviated Form 641, i.e. Part 3 of the form, for returning clients. As such, some minimal duplication may be necessary in order to verify or update on-file information, such as business names, addresses, phone numbers, and other routine information. But in general, no similar body of information is already collected or available for these purposes.

The information is unique to the programs identified above and is not collected in other SBA programs. OED has worked with other SBA program offices to ensure the requested information is not being collected through other sources and/or partners.

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

Using this electronic form of collecting data improves the efficiency and accuracy with which SBA and its resource partners/grantees collect information from small businesses and individual entrepreneurs. It therefore, minimizes the burden on small businesses receiving agency services. EDMIS also reduces the burden on resource partners by minimizing the number of special reports they must prepare to meet SBA requirements. EDMIS is especially helpful for completing required reporting, because the electronic system generates many of the special reports that are required to be submitted to the Congress and OMB.

**6. Describe the consequence to 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.**

The data collected is critical to SBA's ability to meet regular statutory reporting requirements and is also critical to each resource partner's ability to provide appropriate client services. Without the data collection, SBA and its resource partners will be unable to effectively evaluate and manage their management and technical assistance programs. If the information was collected less frequently, it would not provide SBA with accurate and relevant reporting data.

**7. Explain any special circumstances. Explain any special circumstances that would cause an information collection to be conducted in a manner etc.**

EDMIS requests some confidential and proprietary information, e.g. number of employees, gross revenues/sales and profits of the business. This information is collected in aggregate form to respond to specific mandates in section 22 and 29 of the Small Business Act, 15 U.S.C. 656 and 649, and to generate data on impact of SBA's ED programs for reports to Congress and the President. However, only the client, SBA management officials, and the resource partner who is providing the counseling service will be privy to that information, protecting the integrity of the data. SBA has instituted procedures to protect confidentiality to the extent permitted by law and only summary data are provided in reports. See answer to question 10 below.

**8. Federal Register Notice. 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 to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

For many years SBA has used Form 641 and Form 888 to collect information from counseling and training clients. On May 27, 2014, notice of changes to the information collection was published in the Federal Register to solicit public comments. The 60-day comment period ended on July 28, 2014; no comments were received. See 79 FR 30222.

**9. Payment or Gift to Respondents. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

No payments or gifts are provided to respondents.

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

As a prerequisite for receiving counseling, all clients are asked to provide the information on Form 641. In addition to requesting consent to use their names, the form also notifies respondents that information will be kept confidential.

**11. Questions of a sensitive nature. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, 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.**

Through EDMIS, SBA collects the following information which may be considered sensitive: gender, veteran status, ethnicity, race, disability status. As noted in question 1, the information collected is in response to statutory mandates and to facilitate compliance with various reporting requirements. SBA only reports the data in aggregate in these reports. Any personal information disclosed to SBA is

maintained in a Privacy Act System of Record, SB A-11, Entrepreneurial Development Management Information System, which was last published at 74 FR 14889, 14901 (April 1, 2009).

## **12. Estimates of Hourly and Cost Burden**

Following are estimates for the SBA Form 641 hour burden:

- Number of clients (first time): 349,000 (average for all resource partners for FY 2013)
- Response frequency: 1 annual hour burden:  $349,000 \times 1 \text{ response} \times .216 \text{ hours (approx. 13 minutes)} = 75,384 \text{ total hours}$
- Number of clients (follow-up): 174,500 (average for all resource partners for FY 2013)
- Response frequency: 4
- Annual hour burden:  $174,500 \times 4 \text{ response} \times .1667 \text{ hours (approx. 10 minutes)} = 116,357 \text{ total hours.}$
- Total for 641:

Responses:  $349,000 + 174,500 = 523,500$

Hours:  $75,384 + 116,357 = 191,741$

SBA Form 888 takes the resource partners approximately 10 minutes to gather the information and enter the data into their MIS. The following are estimates of the Form 888 hour burden of the collection of information:

- Number of responses: 105,896 (FY 2013)
- Response Frequency: 1
- Annual Burden hours :  $105,896 \times 1 \text{ response} \times .1667 \text{ hours (approx. 10 min)} = 17,652 \text{ total hours}$

Combined hour burden for Forms 641 and 888:  $191,741 + 17,652 = 209,393 \text{ total hours}$

**13. Start up or Capital costs. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. Do not include hour cost burden from above.**

There are no capital or start-up costs for the respondents related to this information collection.

**14. Costs to the Federal Government. Provide estimates of annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, including a**

**quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.**

No cost burden to the government.

**15. Program Changes or Adjustments. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.**

Reported changes are a result of a reduction in the number of counseling clients served by resource partners.

**16. Publication of Information Collection. For collection of information whose results will be published, outline plans for tabulation and publication. Address complex analytical techniques. . Provide time schedules for the entire project.**

The results of this info collection will not be published except in summary form as a means of providing SBA management officials, the Congress and the President with reports on program activity and impact.

**17. Expiration Date. 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, Agency will display the expiration date for OMB approval of this collection.

**18. Exception to the Certification. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission" of OMB Form 83-I**

There are no exceptions to the certification statement identified in Item 19 of OMB Form 83-I.

**B. Collection of Information Employing Statistical Methods. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used.**

Not applicable.