

**U.S. Small Business Administration**

**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**

Table of Contents

**PART A. Justification**..... 14

- 1. Circumstances Making the Collection of Information Necessary..... 14
- 2. Purpose and Use of the Information Collected..... 14
- 3. Use of Information Technology and Burden Reduction..... 14
- 4. Efforts to Identify Duplication and Use of Similar Information..... 15
- 5. Impacts on Small Businesses or Other Small Entities..... 15
- 6. Consequences of Collecting the Information Less Frequently..... 15
- 7. Special Circumstances Relating to the Guideline of 5 CFR 1320.5..... 15
- 8. Comments in Response to Federal Register Notice & Efforts to Consult Outside the Agency..... 16
- 9. Explanation of Any Payment or Gift to the Respondents..... 16
- 10. Assurance of Confidentiality Provided to Respondents..... 16
- 11. Justification for Sensitive Questions..... 17
- 12. Estimates of Hour Burden, Including Annualized Hourly Costs..... 17
- 13. Estimates of Other Total Annual Cost Burden to Respondents or Record Keepers..... 18
- 14. Annualized Costs to Federal Government..... 18
- 15. Explanation for Program Changes or Adjustments..... 18
- 16. Plans for Tabulation and Publication and Project Time Schedule..... 18
- 17. Reason(s) Display of OMB Expiration Date is Inappropriate..... 19
- 18. Exceptions to Certification for Paperwork Reduction Act Submissions..... 19

**B. Collection of Information Employing Statistical Methods**..... 19

## List of Appendices

- Appendix A-1 SBA Form 641
- Appendix A-2 SBA Form 888
- Appendix B-1 Relevant Small Business Act Sections
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## **PART A. Justification**

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

**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 U.S. Small Business Administration's (SBA) statutory mission is to "aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns." The Agency's Office of Entrepreneurial Development (OED) carries out this mission by providing training and counseling programs through its Resource Partners (such as SCORE, Small Business Development Centers (SBDCs), Women's Business Centers (WBCs) and Veterans Business Outreach Centers (VBOCs)) to existing and prospective small businesses and entrepreneurs. These programs are funded by cooperative agreements.

The recipients of these awards are required by the terms of their Notice of Award and outlined in each program's Notice of Funding Opportunity to collect the information on SBA Form 641 from each small business or prospective small business that receives one-on-one counseling or advisory services and to collect the information on SBA Form 888 for training events. SBA's Resource Partners submit this information to SBA via the Entrepreneurial Development Management Information System (EDMIS).

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

**Indicate how, by whom, how frequently, 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.**

SBA Resource Partners collect the information from individual entrepreneurs and potential entrepreneurs at the point of initial client contact and update the information at subsequent interactions initiated by the client's request. The summary information about training events, conducted by or in which the SBA Resource Partner participates, is collected on SBA Form 888 and is derived from the event registration/sign-in. The information collected for the 641 and 888 by the individual resource partners and is only required to be submitted to SBA via EDMIS on a quarterly basis. The information is pertinent to agency 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 or reports made to the Office of Management and Budget (OMB), the President, and the U.S. Congress, including the reporting required by sections 10, 22, and 29 of the Small Business Act (15 U.S.C. §§, 639, 649 and 656, respectively).

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

**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 burden. Insert any applicable electronic web address.**

SBA is committed to complying with the E-Government Act of 2002 and OMB [Memorandum M-03-22](#), "OMB Guidance for Implementing the Privacy Provisions of the E-government Act of 2002," to promote the use of technology to lessen the burden of data collection. The majority of Resource Partners collect this information via online systems. Of these, about 86% (156 of 182) of the SBDCs, SCORE, and

WBCs use systems that have the capability of batching the data collected on SBA Forms 641 and 888 into a single file that can be uploaded to SBA's EDMIS on a quarterly basis. . The balance of these Partners (26) elect to manually input their data into EDMIS. This electronic system, EDMIS, greatly lessens the burden on respondents and SBA, ultimately allowing for more efficient services to our clients.

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

**Describe efforts to identify duplication. Show specifically why similar information already available cannot be used or modified for use for purposes described in Item 2 above.**

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. Impacts on Small Businesses or Other Small Entities**

**If the collection of information impacts small business or other small entities, describe any methods used to minimize burden.**

This data collection will obtain information from the small businesses that receive counseling, advising, and/or training from SBA's Resource Partners. In many instances, the form will be disseminated via an online platform, which reduces the burden on small businesses. SBA is only requiring information that is necessary to determine whether Resource Partners are providing adequate business assistance sought by the small businesses and has worked with its Resource Partners to eliminate questions that are unnecessary.

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

**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 statutory reporting and performance management requirements. As the funds provided to these partners exceed \$120 million annually, it is critical that SBA collect this information for proper management and oversight of the applicable programs. Without the data collection, SBA will be unable to effectively manage the counseling and training programs. If the information were collected less frequently, SBA would not be able to intervene in a timely manner when performance issues arise.

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

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

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years in connection with**

**a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**

- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary, trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

SBA Forms 641 and 888 request some confidential and proprietary information (e.g., number of employees, gross revenues/sales and profits of the business). However, this information is reported in aggregate form to respond to specific mandates in sections 22 and 29 of the Small Business Act, 15 U.S.C. 656 and 649, and to generate data on SBA's counseling and training programs for reports to the U.S. Congress and the President. Section 22 mandates that SBA's Office of International Trade Associate Administrator establish annual goals to promote sales opportunities for small business good and services abroad, the data collected on both the SBA 641 and 888 will be used report metrics by SBDCs, WBCs, and SCORE Resource Partners towards those goals. Section 29 mandates that SBA Administration submit to the Committees on Small Business of the House of Representative and the Senate a report (Management Report) on the effectiveness of all projects conducted under Women's Business Center Program; this report consist of the aggregate data collected on both the SBA 641 and 888. Only the client, SBA management officials, and the resource partner who is providing the counseling service will be privy to that confidential and proprietary 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.

**8. Comments in Response to Federal Register Notice & Efforts to Consult Outside the Agency. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments.**

**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 form, and on the data elements to be recorded, disclosed, or reported.**

The required public comment notice was published in the Federal Register on May 4, 2020, at 85 FR 26514. All comments were due on or before July 6, 2020. SBA received no comments.

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

**Explain any decision to provide any payment or gift to respondents, other than re-enumeration of contractors or grantees.**

No payments or gifts will be made to respondents.

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

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

Public reports based on this data collection only include aggregate statistics on participants and their business outcomes. The personally identifiable information (PII) collected is protected to the extent permitted by law, including the Privacy Act of 1974 and the Freedom of Information Act (FOIA). In addition, to the extent permitted under FOIA, confidential business information (CBI) will only be disclosed to contractor or Agency personnel assigned to work on these programs. The data is stored at SBA Headquarters in EDMIS which is password protected and accessible only to the Resource Partner and SBA. In addition to requesting consent to use their names, SBA Form 641 also notifies respondents that information will be kept confidential to the extent permitted by law. SBA Form 888 does not request any PII or CBI.

#### **11. Justification for Sensitive Questions**

**Provide additional justification for any questions of a sensitive nature, such as sexual behavior or 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 data collection, individuals will be asked for the following information (Form 641 only) which may be considered sensitive: gender, veteran status, ethnicity, race, disability status, and information about their businesses' financial situation, including revenue and financing obtained. Race and ethnicity questions were written in compliance with the OMB Standards for the Classification of Federal Data on Race and Ethnicity. SBA Form 641 contains a consent request and also describes how the information provided will be handled.

The information collected is in response to statutory mandates and to facilitate compliance with various reporting requirements. Additionally, it is essential to the mission of the agency and to monitor grantee performance. SBA only reports data in aggregate from these reports. Any sensitive information disclosed to SBA is maintained in a Privacy Act System of Record, SBA-11, Entrepreneurial Development Management Information System, which was last published at 74 FR 14889, 14901 (April 1, 2009).

#### **12. Estimates of Hour Burden, Including Annualized Hourly Costs**

**Provide estimates of the hour burden of the collection of information. Indicate the affected public, number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.**

SBA estimates the total annual burden for both forms to be 88,762 hours. The total annualized hour and costs burdens are set out below in Exhibit 1. As these forms are currently in use, the burden is based on the current burden experienced by respondents. The SBA Form 641's burden is for both the client seeking services and the Resource Partner; the First Visit the respondent would be the client and for Follow-up Visits the form would be filled in by the Resource Partner/Client. The cost burden of SBA Form 641 for a First Visit is \$1,054,000, which is based on an estimated median annual income of \$65,486 for small business owners, which equates to an hourly rate (2080 work hours per annum) of \$31.<sup>1</sup> The cost burden of the SBA Form 641 for Follow-up Visit is \$973,867, which is based on the estimated median annual income of \$46,545 for a small business consultant, which equates to an hourly rate (2080 work hours per annum) of \$22.<sup>2</sup>

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<sup>1</sup> See [http://www.payscale.com/research/US/Job=Small\\_Business\\_Owner\\_%2F\\_Operator/Salary](http://www.payscale.com/research/US/Job=Small_Business_Owner_%2F_Operator/Salary)

<sup>2</sup> See <https://www.salary.com/research/salary/recruiting/small-business-consultant-salary>

The cost burden for SBA Form 888 is \$1,568,017, which is based on an estimated medial annual income of \$55,838 for a corporate trainer, which equates to an hourly rate (2080 work hours per annum) of \$27.<sup>3</sup>

**Exhibit 1. Information Collection Burden Estimates**

<b>SBA Form</b>	<b>Number of Respondents</b>	<b>Total Number of Responses (per annum)</b>	<b>Frequency of Collection</b>	<b>Average Minutes Spent</b>	<b>Total Burden (hours)</b>	<b>Total Cost Burden</b>
<b>SBA Form 641</b>						
First Visit	340,000	340,000	One-time	6	34,000	\$1,054,000
Follow-Up Visit	182	332,000	Quarterly	8	44,267	\$973,867
SBA Form 641 Total	340,182	672,000			78,267	
<b>SBA Form 888</b>						
Per Event	182	63,000	One-time	10	10,500	\$1,568,017
<b>Total annual burden</b>	<b>340,364</b>				<b>88,767</b>	<b>\$2,311,367</b>

**13. Estimates of Other Total Annual Cost Burden to Respondents or Record Keepers**  
Provide estimates of the total annual cost burden to respondents or record keepers resulting from the collection of information.

There is no other annual cost burden to respondents or record keepers.

**14. Annualized Costs to Federal Government**  
Provide estimates of annualized cost to the federal government. Provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.

No cost to the federal government will be incurred as a result of this information collection.

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

There has been a decrease in the total estimated burden hours due in part to a decrease in the number of respondents.

<sup>3</sup> See [https://www.payscale.com/research/US/Job=Corporate\\_Trainer/Salary](https://www.payscale.com/research/US/Job=Corporate_Trainer/Salary)

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

**For collections of information whose results are planned to be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

The results of this information collection will only be published in summary form as a means of providing SBA management officials, the U.S. Congress and the President with reports on program activity and participant outcomes. The reports are typically annual and consistent with statutory mandates.

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

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

SBA displays the OMB expiration date.

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

**Explain each exception to the certification statement identified in item 19, "Certification Requirement for Paperwork Reduction Act" of OMB Form 83-I. If Agency is not requesting an exception, the standard statement should be used.**

SBA is not requesting any exceptions to the certification.

**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 as statistical methods will not be used.