

**National Institute of Food and Agriculture
U.S. Department of Agriculture
OMB No. 0524-NEW
Information Collection Request**

SUBJECT: Supporting Statement for Paperwork Reduction Act Submission to allow the USDA Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) Programs to Request New Funding Agreement Certification Forms

A. JUSTIFICATION

1. CIRCUMSTANCES MAKING COLLECTION OF INFORMATION NECESSARY

The Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) programs at the U.S. Department of Agriculture (USDA) make competitively awarded grants to qualified small businesses to support high quality, advanced concepts research related to important scientific problems and opportunities in agriculture that could lead to significant public benefit if successful.

The USDA SBIR/STTR Programs Office proposes to collect two forms: a “Funding Agreement Certification” form and a “Certification for SBIR/STTR Applicants that are Majority-Owned by Multiple Venture Capital Operating Companies, Hedge Fund or Private Equity Firms” form. NIFA intends to ask all recipients of SBIR/STTR grants to submit a Funding Agreement Certification form after NIFA has provided the grantee notification of the award, as well as any other time set forth in the funding agreement. For example, the small business concern (SBC) may be required to update the form to assure continued eligibility and compliance when changes in the SBC apply. NIFA also intends to ask SBIR/STTR applicants that are majority-owned by multiple venture capital operating companies, hedge funds, or private equity firms to submit an additional certification form prior to submitting an application. These certification statements are for the purpose of determining the eligibility of the small business concern for a SBIR/STTR award. NIFA is proposing implementation of these forms in order to comply with the guidance provided in the Small Business Administration’s SBIR/STTR Policy Directive effective October 1, 2020.

The objective of the SBIR/STTR Programs are to: stimulate technological innovations in the private sector; strengthen the role of small businesses in meeting Federal research and development needs; increase private sector commercialization of innovations derived from USDA-supported research and development efforts; and foster and encourage participation by women-owned and socially and economically disadvantaged small business firms in technological innovations. The USDA SBIR/STTR programs are carried out in three separate phases:

1. Phase I awards to determine, insofar as possible, the scientific and technical merit and feasibility of ideas that appear to have commercial potential.
2. Phase II awards to further develop work from Phase I that meets particular program needs and exhibits potential for commercial application.
3. Phase III awards where commercial applications of SBIR/STTR-funded R/R&D are funded by non-Federal sources of capital; or where products, services or further research intended for use by the Federal Government are funded by follow-on non-SBIR/STTR Federal Funding Agreements.

The USDA SBIR/STTR Programs are administered by the National Institute of Food and Agriculture (NIFA). NIFA oversees the policies and procedures governing SBIR/STTR grants awarded to the U.S. small business community, representing approximately 3.2% of the USDA extramural R/R&D budget. This represents approximately \$140M in Phase II grants awarded to the U.S. small business community from 2012 to 2020. In 1982, the Small Business Innovation Research (SBIR) Grants Program was authorized, Pub. Law 97-219, and in 2022, the SBIR and STTR Extension Act of 2022 reauthorized the SBIR and Small Business Technology Transfer (STTR) programs through September 30, 2025.

2. HOW, BY WHOM, AND PURPOSE FOR WHICH INFORMATION IS TO BE USED

The Funding Certification form is used by USDA to ensure small business concerns meet specific eligibility requirements for an SBIR/STTR award. The form asks applicants to certify a series of ten statements in order to ensure the grantee is complying with specific program requirements during the life of the funding agreement. If the SBC is majority-owned by venture capital companies, hedge funds, or private equity firms, they will be required to fill out an eight-question form in addition to the Funding Agreement Certification form. The small business concern may be required to update the Funding Agreement Certification form to assure continued eligibility and compliance when changes in the SBC occur. Information collected includes program participant certifications regarding: the awardee meets ownership, control, size, and organization requirements; U.S. citizen or permanent resident alien status is met; all statements made within forms and documents are true and correct; all certifications are continuing in nature; agreement of no misrepresentation of small business status; the signatory on the form is an authorized representative of the awardee.

3. USE OF IMPROVED INFORMATION TECHNOLOGIES

This is a new collection, therefore there are no improvements to report. The Funding Certification form will be a 508-compliant fillable PDF posted and accessible online. The form can also be e-mailed upon request. Program participants will return the form via e-mail to a dedicated inbox.

4. EFFORTS TO IDENTIFY DUPLICATION

No duplication is involved. There is no similar information available which can be used or modified to meet the information needs of this program. The information requested is specific to the SBIR/STTR programs.

5. METHODS TO MINIMIZE BUDGET OF SMALL BUSINESSES OR ENTITIES

SBIR and STTR awards are only available to small businesses. Consequently, all 115 respondents for this collection are necessarily small businesses. However, the Funding Certification form will be a fillable PDF to help minimize the amount of time needed to complete a response to the collection.

6. CONSEQUENCE IF INFORMATION COLLECTION WERE LESS FREQUENT

If NIFA were unable to collect this data, then the USDA SBIR/STTR program would be unable to comply with the Small Business Administration program and reporting requirements that apply to all SBIR and STTR awardees to ensure program requirements are being met during the life of the Funding Agreement.

7. SPECIAL CIRCUMSTANCES FOR INFORMATION COLLECTION

- Requiring respondents to report information to the agency more often than quarterly:**

The agency does not require respondents to report information more often than quarterly.

- Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt:**

The agency does not require respondents to prepare a written response to this collection in fewer than 30 days after receipt.

- Requiring respondents to submit more than an original and two copies of any document:**

The agency does not require respondents to submit more than an original and two copies of any document; only one copy needs to be emailed to the Awards Management Division.

- Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years:**

This is not applicable for this data collection request.

- 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:**

This collection does not include a statistical survey component.

- Requiring the use of a statistical data classification that has not been reviewed and approved by OMB:**

This information collection does not require the use of 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:**

This information collection does not require 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.

- 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:**

This information collection does not require respondents to submit proprietary trade secret, or other confidential information.

8. FEDERAL REGISTER NOTICE

The notice of this currently approved information collection appeared in the Federal Register on Wednesday, October 5, 2022, Vol. 87, No. 192 (87 FR 60368). There were no comments.

CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

NIFA sought consultation outside the agency with the following individuals:

Cheng Li, Ph.D., Director of Product Development
NanoSepex Inc.
Email: cheng@nanosepex.com

Derek Wells, Ph.D., Founder and CEO
Exopolymer
Email: derek.wells@exopolymer.com

Christopher Rowley, Director of UAS & Geospatial Solutions Division
Skyward Ltd.
Email: Crowley@skywardltd.com

Stakeholders provided information related to time needed to complete the collection and suggestions to improve instructions and formatting.

9. DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS, OTHER THAN REMUNERATION OF CONTRACTORS OR GRANTEES

The agency does not provide payment or gifts to respondents, other than remuneration of contractors or grantees.

10. CONFIDENTIALITY PROVIDED TO RESPONDENTS

There is no data that will be released. The Funding Certification forms are internal use documents that will certify the awardee still meets the requirements of the program before funding an award.

11. QUESTIONS OF A SENSITIVE NATURE

The certifications do not contain any questions of a sensitive nature.

12. ESTIMATE OF BURDEN

SBIR/STTR Funding Agreement Certification: the number of respondents equals 115 annually. Each response takes 30 minutes on average to complete.

Public reporting burden for the collection of information the certifications are estimated to average is 30 minutes per response.

Respondents include businesses or other for-profit concerns.

Estimated number of respondents: 115
 Estimated number of responses per respondent: 1
 Estimated total annual burden on respondents: 57.5 hours

TOTAL ANNUAL COST BURDEN TO RESPONDENTS OR RECORDKEEPERS.

For the USDA SBIR Funding Certification

	Avg. Hourly Wage	Avg. Hours/Form	Total	Total Forms/year	Total Yearly Cost
Chief Executive	\$102.00	0.5	\$51.00	115	\$5,865.00

BLS statistics

*Average Hourly Wage was calculated using BLS mean salaries for chief executives.

ANNUALIZED COSTS TO RESPONDENTS

The estimated total man-hours for this information collection are 57.5, based on 115 respondents. It is estimated that the cost to respondents is \$5,865. Other annual costs to respondents or record keepers are associated with customary and usual business or practices of organizations receiving USDA funding. This estimate accounts for the cost of fringe benefits for the respondents.

13. CAPITAL/STARTUP COSTS

There are no capital or startup costs.

14. ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Estimated time and review costs using GS 13 step 5 and GS 15 Step 5:

NIFA staff time

	Avg. Hourly Wage*	Avg. Hours/Form	Total	Total Forms/year	Total Yearly Cost
GS13/5	\$54.26	2	\$108.52	121	\$13,131.00
GS15/5	\$75.42	2	\$150.84	121	\$18,252.00

*Dollar amounts derived from the 2023 Federal Pay Tables for Kansas City-Overland Park-Kansas City, MO-KS assuming each a step 5 annual salary for each GS level listed.

15. REASONS FOR CHANGE IN BURDEN

There is no change to the total burden for this collection since this is a new collection. However, the original estimate provided in the Federal Register Notice (87 FR 60368) has been revised based on additional input and reports from stakeholders regarding the actual time needed to complete the form. The estimated number of respondents from the Federal Register Notice has changed slightly from 110 respondents to 115 and the average estimated amount of time spent completing the form has decreased from one hour per form to 30 minutes per form. This has resulted in the estimated total annual burden on respondents decreasing from 110 hours to 58 hours. The estimate provided in the Federal Register Notice was based on earlier input on a draft form and the estimate has since been revised based on updated input on the final form.

16. TABULATION, ANALYSIS AND PUBLICATION PLANS

No plans to publish - not applicable.

17. SEEKING APPROVAL TO NOT DISPLAY OMB APPROVAL ON FORMS

NIFA is not requesting approval to not display OMB approval on forms.

18. EXCEPTION(S) TO THE CERTIFICATION STATEMENT (19) ON OMB 83-1

None.