

Supporting Statement for Paperwork Reduction Act Submissions

- A. Justification for Agency Form No.: SBA Form 1224, Grant/Cooperative Agreement Cost Sharing Proposal

Overview of Information Collection: Provide a brief overview of the information being collected, disclosed, or the recordkeeping requirement imposed by the agency.

- Identify whether this is a request for approval of a New Collection, a Revision to an Existing Collection, an Extension, or a Reinstatement.

This Paperwork Reduction Act Submission is a request for approval for a reinstatement.

- If a form is not being used (i.e., no collection instrument accompanies this statement), list what information is being collected or disclosed, or the recordkeeping requirement imposed by the agency.

A form is being used.

- If this request is related to a previously approved collection, please summarize any existing changes to instruments (e.g., forms, questions, instructions), method of collection, burden estimates, or other material changes of importance that have occurred since the last approval/request and provide a redline mark up or a table to show the questions and/or other information that the agency has changed.

A form is being used for this collection, SBA Form 1224, Grant/Cooperative Agreement Cost Sharing Proposal that SBA uses to verify the recipient's share of the project cost. Minor changes to the form are being requested at this time.

1. Need & Method for the Information Collection. Explain the circumstances that make the collection of information necessary.
- Identify any legal or administrative requirements that necessitate the collection.

The Small Business Development Center (SBDC) Program is authorized by Section 21 of the Small Business Act (SB Act)(15 USC § 648), as amended, to provide grants to assist in establishing small business development centers (SBDCs). These centers are required to provide business management assistance through counseling and training sessions to existing and prospective small business concerns (SBCs). The annual SBDC program notice of funding opportunity and each cooperative agreement notice of award outlines the specific requirements for the application submission. (Please see attached Notice of Funding Opportunity, Section IV – Application and Submission Information, 4.1.3 Certification Forms and Assurances (page 16) and 2 CFR Part 200.415.

The consequences to the program if the collection is not conducted or conducted less frequently is that OSBDC will not be able to appropriately monitor or oversee the match or

cost-share amount. The total match or cost-share amount must be monitored by SBA once a year because the SBDC is required to meet a minimum amount of match or cost share.

- Provide the citation and a copy of the appropriate section of each statute / regulation mandating or authorizing the collection of information as a supplementary document.

Please see attached supplementary document for statute/regulation data.

- For each information collection that is electronically not “fillable,” “fillable,” and/or “submittable,” explain why.

The use of automated, electronic, mechanical, or other technological collection techniques are used in a variety of ways to organize and prepare SBA Form 1224, Grant/Cooperative Agreement Cost Sharing Proposal. SBA Form 1224 is submitted to SBA through GrantSolutions. All forms are available electronically via the internet and are downloadable and fillable.

<https://www.sba.gov/offices/headquarters/osbdc/resources/20351>

- Consequences if collection is not conducted. Describe the consequence to a federal program or policies if the collection is not conducted or is conducted less frequently and describe any technical or legal obstacles to reducing burden.

SBA uses Form 1224, Grant/Cooperative Agreement Cost Sharing Proposal form to verify the recipient’s share of the project cost. The project cost may include but is not limited to cash and third-party in-kind contributions. The collection of this information is necessary to specify the dollar value and/or percentage share of the cost contributed by the recipient and to obtain the recipient’s certification that it will meet the criteria for cost sharing or matching as outlined in the applicable Administrative Requirements, Cost Principles, and Audit Requirements at 2 CFR Part 200 and/or 2 CFR Part 2701. (See attached)

2. Use of the Information. Indicate how, by whom, and for what purpose the information is to be used (e.g., program administration, application for benefits or services, regulatory compliance, inform policy development).
 - For program evaluations, research studies (including formative research), and surveys, describe the specific goals and purposes of the study as well as the specific research questions that the study will address. Describe whether this study will be used strictly as feedback for internal programmatic use only, or whether it will provide performance measures for Congress or OMB, inform policy, inform agency rulemaking, or be published as an agency report or a report to Congress. Include a discussion of the strengths and weaknesses of the proposed design and its suitability for the intended uses.
 - For an existing collection, describe the use (or principal uses if there are more than one) of the previously collected information, whether by the agency or by other entities.
 - Address whether this information be used by other Federal agencies or not. If so, for what purposes? Are there any privacy concerns related to this information sharing? If so, how have these been addressed?

This information collection is used to oversee and evaluate the recipient's programmatic and financial performance and to ensure compliance with the NOA terms and conditions. The Grants Management Specialist and Program Manager, each review the form to determine the recipient's certification will meet the criteria for cost sharing or matching.

This information will not be used by other agencies.

3. Use of Information Technology. 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.

The use of automated, electronic, mechanical, or other technological collection techniques are used in a variety of ways to organize and prepare this collection of information. The Grantee signs the form and returns the original to SBA. Form 1224 is available electronically and is fillable on-line.

4. Non-duplication. Describe efforts to identify duplication.
 - Describe the steps taken to ensure that this information is not collected elsewhere and that it could not be otherwise obtained. If the information has already been collected by your agency, another Federal agency, a component of State or local government, or other public or private non-governmental entity, explain whether your agency could obtain the information from these sources.
 - Describe specifically why any similar information that is already available cannot be used or modified to be used for the purposes described.
 - For program evaluations, surveys, and research studies, provide a brief review of literature on this topic and explain why the existing information is not sufficient to meet the current needs of the agency.

The Office of Entrepreneurial Development (OSBDC and OWBO) has no knowledge of the collection of this information in any other program by SBA or another Federal agency, a component of State or local government or other public or private non-government entity. At this time, the OSBDC and OWBO are the only entities collecting this data for the SBDC and WBC program's entrepreneurial training and counseling services.

5. Burden on Small Business. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden. Did the agency consider any exemptions, alternate options, or partial or delayed compliance options for small businesses?

SBA Form 1224 is prepared by the Lead SBDC which may be an institution of higher learning or a state agency. Although some of the host institutions may be deemed small, this information collection does not have a significant impact on each entity.

6. Less Frequent Collection. 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 consequences to the program if the collection is not conducted or conducted less frequently is that OSBDC will not be able to appropriately monitor or oversee the match or cost-share amount. The total match or cost-share amount must be monitored by SBA once a year because the SBDC is required to meet a minimum amount of match or cost share.

7. Paperwork Reduction Act Guidelines. 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 secrets, 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 any of the above circumstances.

8. Consultation and Public Comments. Provide a copy and identify the date and page number of the 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.
- Did the agency receive any comments in response to the required Federal Register notice?
 - Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. If the agency declined to make changes in response to particular comments, explain why. Specifically address comments received on cost and hour burden. Address whether any of the instruments were changed and how.

- Describe efforts to consult with persons outside of the agency, including but not limited to soliciting views on the availability of data, the 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. This could include public meetings, outreach to stakeholders, review panels, and advisory committees.
- Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

SBA published a notice in the Federal Register on August 17, 2023, at 88 FR 56062. The comment period closed on October 16, 2023; no comments were received.

9. Gifts or Payment. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.
- Is the agency proposing to provide any incentive (monetary or non-monetary) to potential respondents to obtain their information or to encourage respondents to provide the requested information?
 - If yes, explain why it is appropriate for the agency to provide the proposed incentive (and the proposed amounts) and why it is necessary to obtain information of sufficient quality for the intended purposes, including citations to past practices for this or similar Federally funded collections, and specific research to examine the effects of providing incentives for this or similar collections. Specify the amount of each proposed incentive and how the incentive will be provided to the respondent.
 - If the agency is proposing an experiment to examine the potential effects of incentives, describe the different experimental conditions, why they were chosen, and the minimum detectable effects between conditions.

SBA is not proposing to provide any payment or gifts to potential respondents during this information collection, other than remuneration of contractors or grantees in accordance with the terms of the award.

SBA is not planning on proposing an experiment to examine the potential effects of incentives.

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

The Office of Small Business Development Center (OSBDC) uses the SBA Form 1224, “Grant/Cooperative Cost Sharing Agreement” to track the sources match or cost-share funding. The information collection includes limited collection of personally identifiable information which only consists of the name of the individual certifying the report. Name alone is insufficient information to trace to a specific individual without any other linkable identifying information,

The financial contents of the form are related to the associated programs and the information is considered controlled unclassified information protected in compliance with Executive Order 13556 and SBA Cybersecurity and Privacy Policy.

11. Sensitive Questions. Provide additional justification for any questions of a sensitive nature.

The information collection on SBA 2113 is not categorized as sensitive. The agency is not proposing any questions of a sensitive nature.

12. Burden Estimate. Provide estimates of the 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. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.
- If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.
- Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under ‘Annual Cost to Federal Government’.

Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

- Reporting: Requests for information for transmission to the Federal government, such as grant application forms, written report forms, telephone surveys, and electronic data collections.
- Recordkeeping: Requirements, which may involve compilation and maintenance of records, either alone or in conjunction with the reporting of information to the agency and/or some other person.
- Third-party or public disclosure: Requirements which may involve a requirement to disclose information to other members of the public directly or through publication in media such as newspapers or magazines, or to post the information on labels.

Burden per Response: SBA Form 1224

	Time Per Response	Hours	Cost Per Response
Reporting	1	.5	\$27.21
Record Keeping	1	.25	\$13.60
Third Party Disclosure	0	0	0

Total	2	.75	\$40.81
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Annual Burden: SBA Form 1224

	Annual Time Burden (Hours)	Annual Cost Burden (Dollars)
Reporting	209	\$5,686.89
Record Keeping	209	\$2,842.40
Third Party Disclosure	0	0
Total	418	\$8,529.29

SBA Form 1224 – This form is submitted once per year by the 63 SBDCs and once per year by the 105 WBCs. It takes approximately 30 minutes (or .5 hours) to fill the form out by the State/Program Director or Assistant State/Program Director. No other grantees submit SBA Form 1224.

13. Estimated nonrecurring costs. 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 already reflected on the burden worksheet).
- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.
 - If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collections services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
 - Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There are no additional start-up or capital costs for the respondents.

14. Estimated cost to the 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 (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

SBA estimates the annual cost to the Federal Government based on the tasks of the employees in the OSBDC and the Project Officers who are in the field. The hourly rate is based on the General Schedule issued by the Office of Personnel Management using the GS-12 mid-range step of five. Overhead is based on 10% of the estimated total annual cost to the Federal government. The estimates are as follows:

GS-12 is the average grade of the project officer in the field; the project officer reviews the SBA 1224 prior to submission to the OSBDC. It is estimated that .25 hours is spent verifying all 169 SBA Forms 1224 once a year.

GS-14 is the grade of the Program Manager assigned to the OSBDC. The Program Manager reviews all 169 forms in a fiscal year. On average, this task should take approximately .25 hours each.

GS-15 oversees the above task from a managerial perspective.

Number of Respondents = 169

Number of Responses = 169

The following breakdown supports an estimate of the annual cost to the Federal government.

- **42.25 hours x \$38.61 (GS-12 hourly rate at step 5) = \$1,631.27**
- **42.25hours x \$54.25 (GS-14 hourly rate at step 5) = \$2,292.06**
- **28.16 hours x \$63.82 (GS-15 hourly rate at step 5) = \$1,669.53**
- **Total hourly cost to the Federal government = \$5,592.86**
- **Overhead covers cost of equipment and supplies at 10% of the total cost = \$559.28**
- **Total annual cost to the Federal government = \$6,152.15**

15. Reasons for changes. Explain the reasons for any program changes or adjustments reported on the burden worksheet.

Not applicable.

16. Publicizing Results. For collections of information whose results will 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 from the form are not published.

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

The Agency will display the appropriate expiration date; no waiver from the requirement is being requested.

18. Exceptions to "Certification for Paperwork Reduction Submissions." Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."

This collection requires no exceptions to the certification statement identified in Item 19 of OMB Form 83-1.

19. Surveys, Censuses, and Other Collections that Employ Statistical Methods. If this request includes surveys or censuses or uses statistical methods (such as sampling, imputation, or other statistical estimation techniques), a Part B supporting statement must be completed.

Not applicable.