

U.S. Small Business Administration
SBA Unified Certification System
OMB Control No. 3245-0374
Part A - SUPPORTING STATEMENT

A: JUSTIFICATION

1. Circumstances necessitating the collection of information

SBA is required by statute to administer the 8(a) Business Development (15 USC 637(a); 13 CFR 124); Historically Underutilized Business Zone (HUBZone) (15 USC 657a; 13 CFR 126); Veteran-Owned/Service-Disabled Veteran-Owned (VOSB/SDVOSB) (15 USC 657f and 657f-1; 13 CFR 128); and Women-Owned/Economically Disadvantaged Women-Owned (WOSB/EDWOSB) (15 USC 637(m); 13 CFR 127) certification programs. The Small Business Act requires small businesses to apply to SBA for 8(a), HUBZone, VOSB/SDVOSB, and WOSB/EDWOSB certifications. SBA's regulations require the applications for certification to be submitted electronically. All of the collections are overseen by SBA's Government Contracting and Business Development (GCBD) staff. The HUBZone program requires small businesses to recertify eligibility annually, while WOSB/EDWOSB and VOSB/SDVOSB require recertification every three years. All recertifications are done electronically. This information collection will allow for application, certification, recertification, and administration of the HUBZone WOSB/EDWOSB and VOSB/SDVOSB programs in one system. By having one system, the process is streamlined and easier for small businesses applying to SBA for certification.

By failing to collect the information described above, it would impede SBA's ability to fulfill its statutory mandates to certify 8(a), HUBZone, VOSB/SDVOSB, and WOSB/EDWOSB certification programs, and maintain and update the list of certified small business concerns.

This PRA submission will amend SBA forms from the current HUBZone (3245-0320), 8(a) (3245-0331), VOSB/SDVOSB (3245-0426), and WOSB/EDWOSB (3245-0374) information collections into one unified information collection.

2. How, by whom, and for what purpose information will be used

Small businesses applying to SBA for certification in the 8(a), HUBZone, VOSB/SDVOSB, and WOSB/EDWOSB programs must complete an electronic application. SBA uses the information submitted on the application to verify a concern's eligibility for the programs and for updating the database of certified small business concerns. SBA also uses the information for the recertification process and for program examinations to verify continuing eligibility.

3. Technological collection techniques

All the information related to applications for certification in SBA's programs, program examinations, and recertifications are completed electronically. After submission of the electronic application or recertification, SBA requires each firm to sign a "attestation document" attesting that all the information is true and correct. Electronic transmission of the information provides an efficient way to process and collect the necessary data and reduces the burden on the program participants by saving them time and expense of submitting paper files.

4. Avoidance of Duplication

SBA is creating one unified certification system for all of the certification programs. This will allow a small business concern to apply for all certification programs for which they qualify at one time. For example, a WOSB that is also a VOSB can apply for both certification programs in one system. By having firms submit their documents in one system, the process eliminates any duplicative or unnecessary questions. SBA is combining the information collections of 8(a), HUBZone, VOSB/SDVOSB, and WOSB/EDWOSB into one information collection to minimize the collection burden on small businesses applying to SBA for certification in the programs.

5. Impact on small businesses or other small entities

SBA is combining the information collection for 8(a), HUBZone, VOSB/SDVOSB, and WOSB/EDWOSB into one information collection. This will reduce the impact on small businesses because submission of documents electronically will be required only one time for application for all program certifications. Therefore, this information collection will not have a significant economic impact on a substantial number of small businesses. The collection of this data involves small businesses, but not governmental jurisdictions or not-for-profit enterprises. With respect to small businesses, the information requested is commercial information that should be maintained by a small business performing on, or seeking to perform on, Federal contracts.

6. Consequences if collection of information is not conducted

If SBA does not collect this information, it cannot fulfill its statutory mandates to authorize and oversee certification and recertification of small businesses in the different programs.

7. Existence of special circumstances

No special circumstances exist.

8. Solicitation of Public Comment

SBA is requesting to update the information collection for the 8(a), HUBZone, VOSB/SDVOSB, and WOSB/EDWOSB certification programs. These information collections have traditionally been approved separately. As part of the Unified Certification System, SBA is combining the collection into one information collection package. The notices to revise each collection were published in the Federal Register on May 31, 2024 (89 FR 47190; 89 FR 47191; 89 FR 47193; and 89 FR 47197). No public comments were received.

9. Payment of gifts

No payments of gifts will be provided.

10. Assurance of Confidentiality

Business information for the purpose of certification and recertification does not consist of any proprietary trade secrets or confidential information. SBA's Cybersecurity and Privacy Policy defines the security protections for Controlled Unclassified Information (CUI) and sensitive information. All information and/or documents submitted will be protected to the fullest extent permitted by the Privacy Act, and Freedom of Information Act, 5 U.S.C. 552.

SBA is collecting only the minimum information required to determine an applicant is eligible for certification. Written consent is obtained through electronic certification to authorize SBA's collection of such information on each SBA form.

The questions contained in this information collection include Personally Identifiable Information (PII). PII is protected in accordance with SBA Cybersecurity and Privacy Policy, federal policies, guidelines, industry practices and standards which consists of encryption, access controls, least privileges, role-based permissions, Cybersecurity Awareness Training for all SBA staff, signed Rules of Behavior, and data minimization. The Government Contracting and Business Development System is governed by SORN SBA 30. Also, the information collected is protected to the extent permitted by law including the Freedom of Information Act and the Privacy Act, where applicable. SBA provides respondents with a summary statement of the laws governing the Agency's protection and disclosure of confidential and sensitive information as part of SBA Form 2413. SBA restricts access to the information to those personnel with a need to know.

The information collected subject to these privacy laws are required to obtain an SBA certification. All information submitted to SBA through the electronic application system is protected by SBA's electronic security controls in accordance with National Institute of Standards and Technology.

SBA's System of Records Notifications (SORN) are found at <https://www.sba.gov/about-sba/open-government/privacy-act/privacy-act-system-records-notices-sorns>.

SBA's Privacy Impact Assessments are found at the following location: <https://www.sba.gov/documents?query=privacy+impact+assessment&type=51>.

11. Questions of a sensitive nature

This collection may contain questions that individuals perceive to be of a sensitive nature, including information regarding an individual's social disadvantage status, ethnicity, race, etc. This information is necessary to determine if an individual qualifies for certification. This information is protected as outlined in the previous section.

12. Estimate the hourly burden of the collection of information

The number of applications submitted using SBA Form 2413 is estimated to be about 29,329 annually. The estimated average time to complete an application is approximately 80 minutes. This was determined by calculating the weighted average of the FY23 data. Thus, the total burden hours are calculated at 39,330 hours. The estimated annualized cost to the applicant for SBA’s information collection is estimated at \$2,519,480. This calculation is based on 39,330 hours times \$64.06 (approximate wage rate for Federal government employees at a GS-13, Step 5¹ level who would submit an application). This is representative of an average wage of individuals completing this form.

Burden per Response:

	Time Per Response	Cost Per Response
Reporting	Approx. 80 minutes	\$85.90
Record Keeping	0	0
Third Party Disclosure	0	0
Total	80 min	85.90

Annual Burden:

	Annual Time Burden (Hours)	Annual Cost Burden (Dollars)
Reporting	39,330	\$2,519,480
Record Keeping	0	0
Third Party Disclosure	0	0
Total	39,330	\$2,519,480

¹ Base wage rate of GS-13, Step 5 based on Office of Personnel Management Salary Table 2024-GS [2024-general-schedule-pay-rates.xls \(live.com\)](https://www.opm.gov/policy-data-oversight/salary-tables/2024-general-schedule-pay-rates.xls)

13. Estimate the total annual cost burden for submission

There are no capital or start-up cost components, nor are there any operation or maintenance and purchase of services components associated with this information collection.

14. Annualized Cost to the Federal Government

The average amount of time for SBA employees to review and make a determination regarding certification is expected to be 3 hours. The estimated annual cost to the Federal government of this information collection is \$5,636,447, calculated as follows:

$$29,329 \text{ applicants} \times 3 \text{ hours} = 87,987 \text{ hours}$$

$$87,987 \text{ hours} \times \$64.06^2 = \$5,636,447$$

15. Explanation of program changes in Items 13 or 14 on OMB Form 83-I

The average number of hours to submit an application for certification in all programs for which the applicant is qualified will decrease as the process is streamlined. This will make it easier for small businesses, because they will complete one application to apply for all the programs.

The number of applications under OMB Control No. 3245-0374 will initially increase because all 8(A), HUBZone, WOSB/EDWSOB, and VOSB/SDVOSB small businesses certifications have been combined into one collection, instead of being divided across four collections. However, the total number of applications is expected to decrease as applicants may apply one time for multiple certifications .

16. Collection of information whose results will be published.

No publishing is planned.

17. Expiration date for collection of information

SBA will display the expiration date.

18. Exceptions to certification in block 19 on OMB Form 83-I

There are no exceptions to the certification statement.

Part B: Collection of Information Employing Statistical Methods.

This collection of information is not a survey and does not employ statistical methods.

² Base wage rate of GS-13, Step 5 based on Office of Personnel Management Salary Table 2024-GS [2024-general-schedule-pay-rates.xls \(live.com\)](https://www.opm.gov/policy-data-oversight/pay-rates/)