

U.S. Small Business Administration
SBA Business Development and Unified Certification Renewal
OMB Control No.
Part A - SUPPORTING STATEMENT

A: JUSTIFICATION

1. Circumstances necessitating the collection of information

SBA is requesting approval of a new information collection titled, “SBA Business Development and Unified Certification Renewal”.

SBA is required by statute to administer four small business government contracting programs: 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 Small Business (VOSB/SDVOSB) (15 USC 657f and 657f-1; 13 CFR 128); and Women-Owned/Economically Disadvantaged Women-Owned Small Business (WOSB/EDWOSB) (15 USC 637(m); 13 CFR 127) programs. In order to continue to participate in these programs, 8(a), WOSB HUBZone, and VOSB/SDVOSB firms must submit a certification renewal to SBA regarding certification compliance for each program.

Additionally, participants in the 8(a) Business Development program, as part of its annual financial statement, under 13 C.F.R. 124.602, with gross annual receipts of more than \$10,000,000 must submit to SBA audited annual financial statements prepared by a licensed independent public accountant within 120 days after the close of the concern's fiscal year. The 8(a) certification renewal and annual financial statement questions are included as part of the certification renewal questions.

Entity-owned participants, as part of its annual financial statement, under 13 C.F.R. 124.604, must submit to SBA information showing how the Tribe, ANC, NHO or CDC has provided benefits to the Tribal or native members and/or the Tribal, native or other community due to the Tribe/ANC/NHO/CDC participation in the 8(a) Business Development program through one or more firms. The entity-owned certification renewal and annual financial statement questions are included as part of the certification renewal questions.

Currently, certification renewals for each program and the annual financial statements for 8(a) participants are required to be submitted separately. All certification renewals and annual financial statements are overseen by SBA’s Government Contracting and Business Development (GCBD) staff and are submitted electronically. Previously, each program had a unique web address and online portal, but now the unified certification renewal and annual financial statement will be available on certification.sba.gov. The HUBZone program requires small businesses to recertify eligibility annually, while WOSB/EDWOSB and VOSB/SDVOSB require recertification every three years. All certification renewals and annual financial statements are done electronically. This information collection is combining the recertification for each

program into one system, certification.sba.gov. By having one system, the process is easier for small businesses to submit all of the certification renewals and annual financial statements in a streamlined manner.

This PRA submission will be a new SBA information collection for HUBZone, 8(a), VOSB/SDVOSB, and WOSB/EDWOSB certification renewals and annual financial statements will be combined into one information collection.

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

Small businesses submitting to SBA for certification renewal for all programs must complete an electronic certification renewal. In addition, 8(a) participants are required to complete an annual financial statement. SBA uses the information submitted on the certification renewal and annual financial statement for determination of certification compliance and for program examinations to verify continuing eligibility for government contracting. Entity-owned participants must complete an electronic annual financial statement. The submission of the annual financial statement is the primary responsibility of each 8(a) Participant and failure to comply may result termination for the 8(a) BD Program in accordance with 13 C.F.R. 124.303.

3. Technological collection techniques

All the information related to certification renewals and annual financial statements for SBA to determine certification compliance are completed electronically. After submission of the electronic certification renewal and the annual financial statement for 8(a) participants, SBA requires each firm to sign an “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 the time and expense of submitting paper files.

4. Avoidance of Duplication

SBA’s Unified Certification System hosts certification renewals and annual financial statements for all of the programs. This will allow a small business concern to submit a certification renewal for all programs for which they qualify and the annual financial statement for 8(a) participants at one time without needing to provide redundant information. For example, a WOSB that is also a VOSB can submit a certification renewal for both programs in one system. By having firms submit their documents in one system, the process eliminates any duplicative or unnecessary questions. SBA’s new information collection of 8(a), HUBZone, VOSB/SDVOSB, and WOSB/EDWOSB certification renewals and annual financial statements will minimize the collection burden on small businesses submitting to SBA for recertification in the programs.

5. Impact on small businesses or other small entities

SBA’s new information collection for 8(a), HUBZone, VOSB/SDVOSB, and WOSB/EDWOSB certification renewals and the annual financial statements for 8(a) participants will reduce the impact on small businesses because submission of documents electronically will be required for certification compliance for all programs. 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 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 a new information collection for the 8(a), HUBZone, VOSB/SDVOSB, and WOSB/EDWOSB programs for certification renewals and the annual financial statements for 8(a) participants. As part of the Unified Certification System, SBA's new information collection combines certification renewals for all programs and the annual financial statements for 8(a) participants into one information collection package. A 60-day notice and request for comments was published on August 29, 2024 at 89 FR 70246. No 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 renewals and annual financial statements 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 a small business certification's compliance for all the programs for which the firm is eligible. Written consent is obtained through electronic certification renewals and annual financial statements 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 2539. 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 recertification. All information submitted to SBA through the electronic Unified Certification 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 recertification. This information is protected as outlined in the previous section.

12. Estimate the hourly burden of the collection of information

The number of certification renewals and annual financial statements submitted using SBA Form 2539 is estimated to be about 21,712 annually. The estimated average time to complete a certification renewal or a certification renewal and annual financial statement for 8(a) participants is approximately 80 minutes. This was determined by calculating the weighted average of the FY23 data. Thus, the total burden hours are calculated at 28,949 hours. The estimated annualized cost to the applicant for SBA’s information collection is estimated at \$1,854,472. This calculation is based on 28,949 hours times \$64.06 (approximate wage rate for Federal government employees at a GS-13, Step 5¹ level who would submit a certification renewal or annual financial statement). 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

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

Total	80 min	85.90
--------------	--------	-------

Annual Burden:

	Annual Time Burden (Hours)	Annual Cost Burden (Dollars)
Reporting	28,949	\$1,854,472
Record Keeping	0	0
Third Party Disclosure	0	0
Total	28,949	\$1,854,472

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 a firm’s certification compliance is expected to be 1.2 hours. The estimated annual cost to the Federal government of this information collection is \$1,669,019 calculated as follows:

$$21,712 \text{ applicants} \times 1.2 \text{ hours} = 26,054 \text{ hours}$$

$$26,054 \text{ hours} \times \$64.06^2 = \$1,669,019$$

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

Currently, the average amount of time it takes to submit a certification renewal/annual financial statement for recertification in each of the contracting programs is as follows:

$$8(A) = 4 \text{ hours}$$

$$\text{HUBZone} = 30 \text{ minutes}$$

$$\text{WOSB/EDWOSB} = 1 \text{ hour}$$

$$\text{VOSB/SDVOSB} = 30 \text{ minutes}$$

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/)

A small business separately submitting for multiple recertifications in the current systems could require an average of 6 hours to complete all recertifications, or an average of 1.39 hours per certification renewal and annual financial statement. The average number of hours to submit a certification renewal/annual financial statement across four (4) different platforms, which each require unique login credentials. The average number of hours to submit a certification renewal or annual financial statement for all programs for which the applicant is certified will decrease as the process is streamlined. This will make it easier for small businesses, because they will complete one certification renewal and/or annual financial statement to maintain compliance for all the programs for which the small business is certified.

The average amount of time it will take to submit a certification renewal and/or annual financial statement in each of the contracting programs is expected to be as follows:

8(A) = 3.2 hours

HUBZone = 15 minutes

WOSB/EDWOSB = 30 minutes

VOSB/SDVOSB = 30 minutes

The total number of certification renewals and annual financial statements are expected to decrease as applicants may apply one time for multiple recertifications.

Further, a small business maintaining compliance for multiple certifications in the new system is now expected up to take an average of 1.09 hours per certification renewal/annual financial statement, and an estimated 4.45 hours for all 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.