

SMALL BUSINESS ADMINISTRATION (SBA)
Restaurant Revitalization Fund Program Post Award Report, SBA Form 3173
OMB Control Number, 3245-0424
Justification – Part A Supporting Statement

Overview of Information Collection:

SBA received funds under the American Rescue Plan Act of 2021 (ARPA), Pub. L. 117-2, title V, sec. 5003 (March 11, 2021), to provide direct funds to Eating and Drinking establishments that meet certain conditions. Specifically, Section 5003 of ARPA establishes the Restaurant Revitalization Fund (RRF) program to provide direct funds of up to \$10 million dollars and limited to \$5 million dollars per location to certain eligible persons or entities: a restaurant, food stand, food truck, food cart, caterer, saloon, inn, tavern, bar, lounge, brewpub, tasting room, taproom, licensed facility or premise of a beverage alcohol producer where the public may taste, sample, or purchase products, or other similar place of business in which the public or patrons assemble for the primary purpose of being served food or drink.

SBA requires RRF recipients to submit SBA Form 3173 to confirm that funds are used fully and in accordance with program requirements. Following submission of SBA Form 3173, RRF recipients were previously required to retain all records necessary to prove compliance with Restaurant Revitalization Fund Program Rules for a period of 3 years. SBA is updating the existing record retention requirements of SBA Form 3173 to include the following:

Following submission of the report, the business must retain all records necessary to prove compliance with Restaurant Revitalization Fund Program Rules for 6 years. However, if any litigation, claim, audit, or post-award review is started before the expiration of the 6-year period, the records must be retained until all litigation, claims, audit, or post-award review findings involving the records have been resolved and final action taken. The recipient must retain the records when notified in writing by SBA, cognizant agency for audit, or oversight agency for audit to extend the retention period.

SBA intends to notify all recipients of the updated document retention requirements.

1. Need & Method for the Information Collection.

Section 5003(c)(6) of ARPA requires recipients to return to the Treasury any

funds that the recipient did not use for allowable expenses by the end of the covered period, or if the recipient permanently ceased operations, not later than March 11, 2023. To address the requirement in Section 5003(c)(6) of ARPA, SBA requires RRF recipients to submit post award reports to confirm that funds are used fully and in accordance with program requirements.

Respondents had until March 11, 2023, to expend funds in accordance with program requirements and must file a report annually until they are able to report that all RRF funds have been used in accordance with program requirements. The first report was due no later than December 31, 2021. The majority of respondents used all funds prior to the December 31, 2021, filing deadline and therefore only filed one report. If the respondent had not spent all funds by December 31, 2021, the recipient was required to file another report no later than December 31, 2022. If the respondent had not spent all funds by December 31, 2022, the respondent was required to file a final report no later than April 30, 2023. Post Award Reports are submitted electronically through a portal managed by the company with which SBA has contracted to provide processing services.

If this information were not collected, SBA's Office of Capital Access (OCA) could not evaluate and confirm the appropriate use of funds awarded to recipients. SBA is extending the record retention period to allow OCA sufficient time to conduct post-award reviews to ensure that recipients were in compliance with program requirements.

2. Use of the Information.

The information will be collected from recipients (small businesses) that received awards under the RRF. This information collection will be used by SBA's OCA to confirm that recipients used awarded funds in accordance with program requirements.

The RRF Post Award Report informs recipients that information collected is protected to the extent permitted by law, including the Privacy Act, 5 U.S.C. 552a and the Freedom of Information Act, 5 U.S.C. 552. SBA is revising its Privacy Act System of Records (SBA 21) Loan Systems [<https://www.sba.gov/about-sba/open-government/privacy-act/privacy-act-system-records-notices-sorns>] to maintain the personally identifiable information collected from applicants to the RRF program.

3. Use of Information Technology.

Post Award Reports for RRF are submitted electronically through a portal managed by the company with which SBA has contracted to provide processing services.

4. **Non-duplication.**

Every effort is being taken to minimize the collection burden. There is no other available information that can be used for purposes of carrying out the reporting requirement for the RRF program.

5. **Burden on Small Business.**

This information collection impacts small businesses; however, providing the information is necessary to comply with the reporting requirements for recipients of RRF direct funds as authorized under ARPA. The requested information is designed to collect the minimum information necessary to confirm appropriate use of funds.

6. **Less Frequent Collection.**

Respondents had until March 11, 2023, to expend funds in accordance with program requirements and were required to file a report annually until they could report that all RRF funds had been used in accordance with program requirements. The first report was due no later than December 31, 2021. The majority of respondents used all funds prior to the December 31, 2021, filing deadline and only needed to file one report. If the respondent had not spent all funds by December 31, 2021, the recipient was required to file another report no later than December 31, 2022. If the respondent had not spent all funds by December 31, 2022, the respondent was required to file a final report no later than April 30, 2023.

If this information were not collected, OCA could not evaluate and confirm the appropriate use of funds awarded to recipients.

7. **Paperwork Reduction Act Guidelines.**

No special circumstances exist.

8. **Consultation and Public Comments.**

With this submission, SBA is requesting to update the record retention requirements of SBA Form 3173. SBA published a notice in the Federal Register on April 26, 2024, (89 FR 32518) to solicit public feedback. No public comments were received.

9. **Gifts or Payment.**

There are no payments made or gifts given to respondents.

10. **Privacy & Confidentiality.**

The RRF Post Award Report informs recipients that information collected is protected to the extent permitted by law, including the Privacy Act, 5 U.S.C. 552a and the Freedom of Information Act, 5 U.S.C. 552. There are no additional assurances of confidentiality indicated on the SBA form 3173.

The Restaurant Revitalization Fund Platform (RRFP) collects controlled unclassified information, sub categorized as personally identifiable information (PII) and business proprietary information. The perceived PII is name, email address, and social security number. The RRFP collection is supported by a Privacy Impact Assessment (PIA) and System of Records Notice (SORN) SBA 21. The PIA provides the technical and administrative safeguards of the information which includes at a minimum: access controls, encryption, and integrity checks in compliance with Executive Order 13556 and SBA Cybersecurity and Privacy Policy. SORN SBA 21 can be found here: <https://www.sba.gov/about-sba/open-government/privacy-act/privacy-act-system-records-notices-sorns>.

11. **Sensitive Questions.**

This information collection does not request information of a sensitive nature.

12. **Burden Estimate.**

This burden estimate is limited to the recordkeeping costs associated with the extension of the record retention requirements for RRF's SBA Form 3173. Respondents have previously incurred an estimated \$1,845,495 in total costs over a period of 3 years for this information collection. That estimate was based on 131,306 responses with a total burden of 65,653 hours. Approximately 13,000 recipients never submitted a post-award report; SBA does not anticipate that these recipients will submit a post-award report. The following burden estimate is based on the 101,004 entities that received awards under the RRF program and will be subject to the additional record retention requirements. These recipients are included in the calculation below.

Calculations:

Frequency of Response

SBA estimates that 75% of recipients will submit the report one time:
75,753
 $101,004 \times 75\% \times 1 \text{ response} = 75,753$

Hourly Cost Burden

To estimate the hourly cost, SBA used data from the Bureau of Labor Statistics, National Occupational Employment and Wages estimates an average for median hourly wage for:

(1) Accountant and Auditors 13-2011: \$38.41 per hour

(2) Secretaries and Administrative Assistants,
 Except Legal, Medical, and Executive 43-6014: \$21.29 per hour

These two wages yield an average hourly wage of **\$29.85** and is representative of an average wage for individuals completing this form.

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

Burden per Response:

	Time Per Response	Hours	Cost Per Response
Reporting			
Record Keeping	15 minutes	24,240	\$7.46
Third Party Disclosure	0	0	0
Total	15 minutes	24,240	\$7.46

Annual Burden:

	Annual Time Burden (Hours)	Annual Cost Burden (Dollars)
Reporting	0	0
Record Keeping	24,240	\$180,830
Third Party	0	0

Disclosure		
Total	24,240	\$180,830

13. **Estimated nonrecurring costs.**

There are no estimated non-recurring costs.

14. **Estimated cost to the Government.**

This recordkeeping extension will add no additional costs to the government. During the first three years of the RRF program, SBA incurred costs of \$366,620 associated with the use of approximately 200 government employees to review responses.

SBA negotiated a contract for \$48,000,000 for the delivery of this program on the electronic platform. This cost was included in the Supporting Statement for the RRF Application, SBA Form 3172. There are no additional electronic platform costs for this collection of information.

Estimated total annualized cost to the Federal Government: \$366,620

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

Information collection is complete for this program. SBA is extending the record retention period to allow review of Form 3173 submitted by recipients. This change will result in an increase to the recordkeeping burden.

16. **Publicizing Results.**

SBA has published aggregated data on the uses of proceeds. The information is published on the USASpending.gov website pursuant to the requirements of the Data Act.

17. **OMB Not to Display Approval.**

SBA will display the expiration date of OMB approval.

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

There are no exceptions to the certification statement.

Part B: Surveys, Censuses, and Other Collections that Employ Statistical Methods.

Not Applicable