

## **Appendices**

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## Appendix 1 – Appropriations Language

### SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Small Business Administration, including hire of passenger motor vehicles as authorized by sections 1343 and 1344 of title 31, United States Code, and not to exceed \$3,500 for official reception and representation expenses, ~~【\$250,000,000, of which not less than \$12,000,000 shall be available for examinations, reviews, and other lender oversight activities】~~\$256,882,000: *Provided*, That the Administrator is authorized to charge fees to cover the cost of publications developed by the Small Business Administration, and certain loan program activities, including fees authorized by section 5(b) of the Small Business Act: *Provided further*, That, notwithstanding 31 U.S.C. 3302, revenues received from all such activities shall be credited to this account, to remain available until expended, for carrying out these purposes without further appropriations: *Provided further*, That the Small Business Administration may accept gifts in an amount not to exceed \$4,000,000 and may co-sponsor activities, each in accordance with section 132(a) of division K of Public Law 108–447, during fiscal year ~~【2014】~~2015: *Provided further*, That \$6,100,000 shall be available for the Loan Modernization and Accounting System, to be available until September 30, ~~【2015】~~2016: *Provided further*, That \$2,000,000 shall be for the Federal and State Technology Partnership Program under section 34 of the Small Business Act (15 U.S.C. 657d)~~】~~2016. (*Financial Services and General Government Appropriations Act, 2014.*)

### OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, ~~【\$19,000,000】~~\$19,400,000. (*Financial Services and General Government Appropriations Act, 2014.*)

### OFFICE OF ADVOCACY

For necessary expenses of the Office of Advocacy in carrying out the provisions of title II of Public Law 94–305 (15 U.S.C. 634a et seq.) and the Regulatory Flexibility Act of 1980 (5 U.S.C. 601 et seq.), ~~【\$8,750,000】~~\$8,455,000, to remain available until expended. (*Financial Services and General Government Appropriations Act, 2014.*)

### ENTREPRENEURIAL DEVELOPMENT PROGRAMS

For necessary expenses of programs supporting entrepreneurial and small business development as authorized by Public Law 108–447, ~~【\$196,165,000】~~\$197,825,000: *Provided*, That \$113,625,000 shall be available to fund grants for performance in fiscal year ~~【2014】~~2015 or fiscal year ~~【2015】~~2016 as authorized by section 21 of the Small Business Act, to remain available until September 30, ~~【2015】~~2016: *Provided further*, That \$20,000,000 shall remain available until September 30, ~~【2015】~~2016 for marketing, management, and technical assistance under section 7(m) of the Small Business Act (15 U.S.C. 636(m)(4)) by intermediaries that make microloans under the microloan program~~【~~: *Provided further*, That \$8,000,000 shall be available for grants to States for fiscal year 2014 to carry out export programs that assist small business concerns authorized under section 1207 of Public Law 111–240~~】~~. (*Financial Services and General Government Appropriations Act, 2014.*)

### DISASTER LOANS PROGRAM ACCOUNT (INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by section 7(b) of the Small Business Act, ~~【\$191,900,000】~~\$186,858,000, to be available until expended, of which \$1,000,000 is for the Office of Inspector General of the Small Business Administration for audits and reviews of

disaster loans and the disaster loan programs and shall be ~~transferred to and merged with~~ paid to the appropriations for the Office of Inspector General; of which ~~[\$181,900,000]~~ \$176,858,000 is for direct administrative expenses of loan making and servicing to carry out the direct loan program, which ~~may be transferred to and merged with~~ shall be paid to the appropriations for Salaries and Expenses; and of which \$9,000,000 is for indirect administrative expenses for the direct loan program, which ~~may be transferred to and merged with~~ shall be paid to the appropriations for Salaries and Expenses: *Provided, That, of the funds provided herein, \$154,636,000 shall be for major disasters declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)); \$147,187,970 is for direct administrative expenses of loan making and servicing to carry out the direct loan program; and \$7,448,030 is for indirect administrative expenses for the direct loan program: Provided further, That the amount for major disasters under this heading is designated by Congress as being for disaster relief pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), as amended. (Financial Services and General Government Appropriations Act, 2014.)*

#### BUSINESS LOANS PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, ~~[\$4,600,000]~~ \$2,500,000, to remain available until expended, and for the cost of guaranteed loans as authorized by section 503 of the Small Business Investment Act of 1958 (Public Law 85-699), ~~[\$107,000,000]~~ \$45,000,000, to remain available until expended: *Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That subject to section 502 of the Congressional Budget Act of 1974, during fiscal year [2014] 2015 commitments to guarantee loans under section 503 of the Small Business Investment Act of 1958 shall not exceed \$7,500,000,000: Provided further, That during fiscal year [2014] 2015 commitments for general business loans authorized under section 7(a) of the Small Business Act shall not exceed \$17,500,000,000 for a combination of amortizing term loans and the aggregated maximum line of credit provided by revolving loans: Provided further, That during fiscal year 2015 commitments for loans authorized under subparagraph (C) of section 502(7) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)) shall not exceed \$7,500,000,000: Provided further, That during fiscal year [2014] 2015 commitments to guarantee loans for debentures under section 303(b) of the Small Business Investment Act of 1958 shall not exceed \$4,000,000,000: Provided further, That during fiscal year [2014] 2015, guarantees of trust certificates authorized by section 5(g) of the Small Business Act shall not exceed a principal amount of \$12,000,000,000. In addition, for administrative expenses to carry out the direct and guaranteed loan programs, ~~[\$151,560,000]~~ \$147,726,000, which may be transferred to and merged with the appropriations for Salaries and Expenses. (Financial Services and General Government Appropriations Act, 2014.)*

#### ADMINISTRATIVE PROVISION—SMALL BUSINESS ADMINISTRATION (INCLUDING TRANSFER OF FUNDS)

SEC. 530. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Small Business Administration in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: *Provided, That any transfer pursuant to this paragraph shall be treated as a reprogramming of funds under section 608 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section. SEC. 531. (a) Section 1122(b) of the Small Business Jobs Act of 2010 (15 U.S.C. 696 note) is repealed. (b) Subparagraph (C) of section 502(7) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)), as in effect on September 25, 2012, shall be in effect during fiscal year 2015. (Financial Services and General Government.*

## Appendix 2 – Data Validation and Certification

Managing for results and integrating performance with budget information require valid, reliable and high-quality performance measures and data. The SBA faces many challenges in acquiring high quality data on both outputs and outcomes. In addition to using output data internally from its own systems, the SBA relies on data from resource partners and other federal agencies and local governments to assess its accomplishments and effectiveness. Limitations such as the lack of relevant data for measures, the accuracy and timeliness of data, and the reporting capacity of quality data remain major issues for the Agency. Improving data quality continues to be a high priority for the SBA, as demonstrated by the creation of the Office of Performance Management within the Office of the Chief Financial Officer. The SBA vigorously pursues the following strategies to address the shortcomings of its data quality:

- *Ensuring the validity of performance measures and data.* The SBA does this through assessing the relevancy of performance measures and data on an annual basis.
- *Fostering organizational commitment and capacity for data quality.* Achieving data quality through (1) training its managers to make sure they understand the need for quality data, how to develop valid performance measures and how to ensure data quality; and (2) managers attesting to the quality of the data under their management.
- *Assessing the quality of existing data.* Audits and reviews ensure the quality of its financial data systems. However, the SBA must assess the quality of loan and program data provided by its resource partners and will include data verification in its lender and resource partner oversight.
- *Responding to data limitations.* It is not enough to identify data quality problems. Where there are data limitations, the SBA is working hard to improve quality. In the meantime, the SBA will recognize where there are data limitations and specify the steps being taken to improve the data.
- *Reconciling Finances and Performance Costs.* The SBA will continue to ensure the accuracy of this cost-related performance data by reconciling that information with its financial statements. Achieving this important reconciliation means that the Agency has strengthened the integration of its financial and performance information.
- *Rating every indicator as to the quality of the data.* Every indicator has been subject to critical review and has been rated at least “acceptable.” Any indicator that does not meet the standards of acceptability is rejected as an indicator for this report.

The SBA prepares data validation and certification forms for all performance indicators

These forms are published on [www.sba.gov/performance](http://www.sba.gov/performance).

## Appendix 3 – New and Discontinued Indicators

FY 2015 CBJ - New Indicators

SG*	Program	Performance Indicator	Type of Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2013 Target	FY 2013 Variance	FY 2014 Target	FY 2015 Target
1.1	7(a)	New Lenders	Outcome	N/A*	N/A*	N/A*	N/A*	312	306	Baseline	N/A*	325	325
1.1	7(a), 504	Lending Supported	Outcome	24,573,164	17,818,196	22,381,940	30,539,407	30,254,226	29,629,668	23,792,500	25%	24,268,350	24,753,825
1.3	SBDC, WBC, & SCORE	Counseling Clients (#)	Output	401,874	436,425	404,739	364,344	399,620	348,519	N/T*	N/A	373,000	379,000
1.3	SBDC	Counseling Clients (#)	Output	194,716	208,374	209,558	205,408	211,091	201,596	N/T*	N/A	220,000	220,000
1.3	WBC	Counseling Clients (#)	Output	26,400	24,315	24,794	23,118	22,020	19,455	N/T*	N/A	20,000	22,000
1.3	SCORE	Counseling Clients (#)	Output	180,758	203,736	170,387	135,818	166,509	127,468	N/T*	N/A	133,000	137,000
1.3	SBDC, WBC, & SCORE	Training Clients (#)	Output	677,051	683,355	752,588	689,114	739,616	663,525	695,000	-5%	695,000	695,000
1.4	Intl Trade	Number of Lenders (#)	Output	N/A*	N/A*	N/A*	430	497	483	492	-2%	523	555
1.4	Intl Trade	SMEs Receiving Export Training (#)	Output	6,353	5,830	9,151	8,717	10,598	8,244	8,000	3%	7,600	8,000
1.4	Intl Trade	SMEs Receiving Export Counseling (#)	Output	4,536	5,102	5,954	5,377	4,595	4,307	4,200	3%	4,000	4,200
1.4	Intl Trade	Lenders Receiving Export Training (#)	Output	N/A*	N/A*	N/A*	3,518	4,119	4,868	4,400	11%	4,000	4,200
1.6	ODA	Return rate for disaster survivor applications	Output	N/A*	N/A*	N/A*	N/A*	N/A*	24%	N/T*	N/A*	29%	34%
2.1	Veterans	Boots to Business Training participants (#)	Output	N/A*	N/A*	N/A*	N/A*	N/A*	Baseline	N/T*	N/A*	15,000	25,000
2.1	USM	USM - Financing programs - SB Assisted	Output	52,095	30,866	34,115	37,267	33,449	33,458	31,000	8%	31,550	32,250
2.1	USM	USM - Contracting programs - SB Assisted	Output	12,340	9,555	14,847	13,615	15,260	13,158	14,775	-11%	14,475	14,475
2.4	ONO	Regulatory Fairness Board Membership Rate (%)	Outcome	88%	88%	88%	98%	96%	74%	78%	-5%	85%	90%
2.4	ONO	Rules/Regulations Identified that Burden Small Business (#)	Outcome	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	2	5
2.4	ONO	Outreach Events (#)	Output	27	13	50	56	48	48	46	4%	52	55
3.1	CFO	SBA Small Business Utilization Rate (%)	Outcome	70%	65%	67%	67%	71%	72%	67%	7%	67%	67%

\* Strategic Goal and Objective

N/A\* - Not Available

N/T\* - Not Targeted

FY 2015 CBJ - Discontinued Indicators

SG*	Program	Performance Indicator	Type of Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2013 Target	FY 2013 Variance
1.3	OED	Jobs Supported (Jobs Bill) (#)	Outcome	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
1.3	OED	Cost per Job Supported (Jobs Bill) (\$)	Efficiency	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
1.3	OED	SBDC - Long-term Counseling Clients (#)	Output	53,557	58,468	59,247	62,117	67,052	64,213	52,000	23%
1.3	OED	SBDC, WBC, SCORE, Online - Training Clients (#)	Output	1,220,051	1,295,355	1,232,588	923,114	960,212	813,880	1,195,000	-32%
1.4	OIT	Value of Exports Supported by Financing (\$ in Billions)	Outcome	N/A*	N/A*	N/A*	N/A*	N/A*	\$2.9	Baseline	N/A*
1.4	OIT	Value of Exports Supported by Counseling (\$)	Outcome	N/A*	N/A*	N/A*	N/A*	N/A*	Baseline	Baseline	Baseline
1.4	OIT	New Markets Entered by U.S. Companies (#)	Output	N/A*	N/A*	N/A*	N/A*	N/A*	Baseline	Baseline	Baseline
1.4	OIT	Participants Receiving Export Training (#)	Output	N/A*	N/A*	N/A*	N/A*	N/A*	Baseline	Baseline	Baseline
1.4	OIT	Business Counselors Trained on Exporting (#)	Output	N/A*	N/A*	N/A*	N/A*	N/A*	Baseline	Baseline	Baseline
2.1	HUBZone	Annual Value of Federal Contracts (\$ Billion)	Output	\$ 10.3	\$ 12.4	\$ 12.0	\$ 9.9	\$ 8.2	N/A*	N/A*	N/A*
2.1	HUBZone	Cost per Federal Contracts (\$)	Efficiency	\$ 0.0008	\$ 0.0010	\$ 0.0014	\$ 0.0016	\$ 0.0011	N/A*	N/A*	N/A*
2.1	SBIC	USM - SB Assisted (#)	Output	632	441	392	430	290	260	400	-35%
2.1	Microloan	USM - SB Assisted (#)	Output	2,783	2,814	4,052	3,999	3,990	3,600	3,400	6%
2.4	ONO	Days in Processing to Send Comments to Agencies (Days)	Output	N/A*	N/A*	N/A*	2	4	4	4	0%
2.4	ONO	Days in Processing to Send Agency Responses to Commenter (Days)	Output	N/A*	N/A*	N/A*	2	4	4	4	0%
	GCBD	Completed Annual 8(a) Reviews (#)	Output	5,999	7,250	7,720	7,302	6,860	5,247	7,610	-31%
3.3	ODA	Number of Quality Assurance Reviews of Disaster Assistance Program (#)	Output	N/A*	N/A*	N/A*	2	3	4	4	0%

N/A\* - Not Available

### Variance Explanation

**OED-SBDC - Long-term Counseling Clients (23% over target)** - The variance is attributable to 55 out of 63 SBDCs taking no cost extensions on Small Business Jobs Act activities that were originally scheduled to end in 2012, which resulted in an unanticipated uptick in the creation of small businesses in FY13.

**OED-SBDC, WBC, SCORE, Online (-32% under target)** - SBA conducted a data review in FY13 to validate registration information and to remove registration duplications, which significantly improved the quality of the performance data. This correction resulted in a lower baseline of actual registrations than originally projected. In FY13, SBA reasserted the importance of online service as a mode of entrepreneurial training with the establishment of an agency-wide Online Learning Center strategy and the hiring of a full-time instructional systems designer to lead the program.

**SBIC-USM - SB Assisted (-35% under target)** - The missed target was the result of having less qualified impact and Early Stage Funds applying for the program and thus

**GCBD - Completed Annual 8(a) Reviews (-31% under target)** - This has been changed to a contextual indicator this year because it is not targetable.

## **Appendix 4 – SBA Programs and Offices**

### **Center for Faith-based and Neighborhood Partnerships**

Faith-based and community organizations can play an important role in helping the SBA reach, train and finance businesses that bring jobs and hope to communities all across the nation. The Center for Faith-based and Neighborhood Partnerships promotes SBA partnerships with faith-based and community organizations to help build awareness of SBA's programs that can transform neighborhoods and change lives. Additionally, the office informs faith-based and neighborhood organizations of SBA's loan programs that require non-profit intermediary participation and actively encourages qualified organizations to apply for certification as microloan intermediaries.

### **Office of Advocacy**

The Office of Advocacy is an independent voice for small business within the federal government. It represents the interests of small businesses, small organizations, and small governmental jurisdictions. Appointed by the President and confirmed by the U.S. Senate, the Chief Counsel for Advocacy directs the office. The chief counsel advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, and state policymakers. Economic research, policy analyses, and small business outreach help identify issues of concern. Regional advocates and an office in Washington, D.C. support the chief counsel's efforts. The Office of Advocacy's economic research and regulatory interventions reduce regulatory barriers that impede small business growth and development.

### **Office of Capital Access**

The Office of Capital Access assists small businesses in obtaining the loans necessary for growth by being a gap lender, providing assistance to small businesses that otherwise would not qualify for unguaranteed financing, obtaining equity or taking advantage of contracting opportunities.

The 7(a) loan program requires SBA lending partners to certify that the applicant was unable to qualify for loans elsewhere on reasonable terms. The 504 program, which has a statutorily mandated job creation component, fills another lending gap by providing long-term, fixed rate financing for major assets such as real estate and heavy equipment. Surety Bond Guarantee is a program that serves as a gap surety bond credit provider, expanding the bond credit and capacity of small contractors that would not otherwise be able to compete for public and private work. The Office of Credit Risk Management provides risk management based on: (1) monitoring, reviewing, and oversight of 7(a) and 504 lenders and microloan intermediaries; and (2) monitoring and analysis of the 7(a), 504, microloan and disaster portfolios.

### **Office of the Chief Operating Officer**

The Office of the Chief Operating Officer (OCOO) is charged with leading SBA's operations to achieve the mission of the Agency. The goal of the office is to ensure OCOO infrastructure offices are able to meet their goals and are supported through transparent coordination of OCOO's staffing, budget, technology, resources requests and management, and analytical support.

### **Office of Administrative Services**

The Office of Administrative Services consists of three divisions that play a critical role in focusing the Agency and work across government on safety and preparedness. It provides important operational and safety functions. The Facilities, Safety and Security Division is responsible for all of the Agency's physical space, leases, safety, security, and emergency preparedness. The Support Services Division provides a full range of support services, including transportation, parking, fleet, mail services, Agency printing, copiers,

asset/property management and HQ meeting support. The Records Management Division is responsible for the management and oversight of SBA's records management, retention, archival and digitization functions.

#### **Office of the Chief Information Officer**

The Office of the Chief Information Officer provides information technology leadership, products, services and operational support for the SBA. The chief information officer is the principal advisor to the Administrator on information technology matters and has overall responsibility for developing, managing and monitoring SBA-wide IT systems, projects, personnel and expenditures. The office provides information technology governance support to the Agency, ensuring that the SBA manages its current and prospective IT investment portfolio in accordance with the laws, regulations and policies applicable across government.

The OCIO manages SBA's functional IT units encompassing systems development, operations, voice and data communications and user support. Directly or through contractors, the OCIO has responsibility for over 80 current, mission oriented IT systems that support SBA program delivery and enable the Agency to equip and outfit its employees with current hardware, software and computing tools such as email, wireless capabilities, and remote access for telecommuters. This office manages and maintains SBA's web presence on [www.sba.gov](http://www.sba.gov). It is also the Agency's lead office for information security, data privacy, electronic identity protection and incident reporting, including information technology aspects of COOP (continuity of operations planning).

#### **Office of Disaster Planning and Risk Management (ODP)**

The Office of Disaster Planning and Risk Management is responsible for the Continuity of Operations functions as well as disaster planning for the Agency. The office provides Agency coordination in utilizing SBA resources to assist citizens, communities and businesses in responding to disaster occurrences and long-term recovery needs. ODP represents SBA at interagency meetings and leverages relationships to implement best practices. The office is also responsible for identifying, tracking and evaluating Agency-wide risk by working with internal stakeholders to identify and assess the risks in programs as well as operations.

#### **Office of Diversity, Inclusion and Civil Rights**

To advance Agency-wide diversity at all levels and equal access to programs and activities receiving SBA financial assistance, the Office of Diversity, Inclusion and Civil Rights works to prohibit discrimination against SBA employees and applicants based on race, color, sex, age, religion, disability, national origin, and retaliation for opposition to discriminatory practices or participation in the EEO process. The office also works to achieve equal employment opportunity for all qualified employees consistent with the nation's workforce diversity. It works to ensure that no person in the is denied the benefits of, excluded from participation in, or subjected to discrimination under any program or activity receiving SBA financial assistance based on race, color, sex, age, disability, national origin, and marital status (extension of credit). In addition, the office ensures that individuals with disabilities have equal access to SBA-conducted or co-sponsored programs and activities.

#### **Office of the Executive Secretariat**

The Office of the Executive Secretariat (Exec Sec) serves as the primary center supporting the Office of the Administrator through document management of correspondence. The office coordinates Agency-level clearances, policy initiatives, regulations, memoranda, reports, and written material signed by the Administrator. Exec Sec also manages SBA's Answer Desk, which is the public face of the Small Business Administration. The Answer Desk handles inquiries from current and potential small business owners concerning SBA programs as well as outside programs available for small businesses.

### **Office of Grants Management**

The Office of Grants Management (OGM) awards and administers all grants under SBA's authorization and appropriations, with the exception of the small business development center and women's business center grants which are awarded and administered by the respective program offices. In the case of congressional earmark grants, the OGM serves as the technical representatives for the grants as well. The director of OGM serves as SBA's senior grant officer and represents the Agency on all interagency grant-related policy making groups.

### **Office of Human Resources Solutions**

The Office of Human Resources Solutions (OHRS) develops and provides innovative human capital strategies. The office advises SBA management with respect to selecting, developing and managing a high quality, productive workforce. It sets SBA's workforce development strategy; assesses current workforce characteristics and future needs based on SBA's Strategic Plan; aligns human resources policies with organization mission, strategic goals, and performance outcomes; develops and advocates a culture of continuous learning to attract and retain employees with superior abilities; identifies best practices and benchmarks studies; and creates systems for measuring intellectual capital and identifying links of that capital to organizational performance and growth. OHRS also implements laws, rules and regulations governing the civil service.

### **Office of Communication and Public Liaison**

The Office of Communications and Public Liaison (OCPL) has the principal responsibility for developing and implementing effective communications strategies to ensure that SBA's mission, programs, services and initiatives are articulated clearly and consistently to the American public in general and the small business community in specific. It supports field and program offices with planning and implementation of effective communications strategies. OCPL plays the chief role in articulating, explaining and promoting Agency policy and goals to the national news media.

Through Community Relations and the Office of Strategic Alliances within OCPL, the SBA forms alliances with for-profit corporations, small businesses, non-profit organizations, trade and professional associations, academic institutions, and public-sector agencies. The alliances offer opportunities to network on areas of common interest.

This office manages the web content on [www.Sba.gov](http://www.Sba.gov) and is the federal managing partner for [www.BusinessUSA.gov](http://www.BusinessUSA.gov), an easy-to-use, consolidated website that coordinates the programs, products and services from across the federal government to make it easier for businesses and entrepreneurs to access the resources they need to grow to make their enterprises successful.

### **Office of Congressional and Legislative Affairs**

The Office of Congressional and Legislative Affairs (CLA) assists in the development of SBA legislative programs and serves as the communications focal point on legislation and congressional activity. CLA monitors legislation and policies introduced by Congress and government agencies to determine their effects on the SBA and small business. It furthers the goals of the SBA and enables Members of Congress to best serve their small business constituencies by promptly providing accurate, current, and continuous information to Congress, congressional committees, and others interested in SBA programs. It also devises and implements legislative strategy and has primary responsibility for all matters relating to the congressional and legislative functions of the SBA. CLA provides liaison with legislative personnel at the White House, the Office of Management and Budget, and various federal departments and agencies. It coordinates with SBA program



and field offices to ensure continuity and consistency in SBA's communications with Congress; and, it coordinates all Government Accounting Office activities with the SBA.

### **Office of Disaster Assistance**

The Office of Disaster Assistance (ODA) plays a vital role in the aftermath of disasters. Through ODA, the SBA is responsible for providing affordable, timely, and accessible financial assistance to homeowners, renters, and businesses of all sizes affected by disaster. Financial assistance is available in the form of low-interest, long-term loans. SBA disaster loans are the primary form of federal assistance for the repair and rebuilding of non-farm, private sector disaster losses. For this reason, the disaster loan program is the only form of SBA assistance not limited to small businesses. ODA makes physical disaster loans and economic injury disaster loans. Physical disaster loans are for permanent rebuilding and replacement of uninsured or underinsured disaster-damaged privately-owned real and/or personal property. They are available to homeowners, renters, businesses of all sizes and nonprofit organizations. Economic injury disaster loans provide necessary working capital until normal operations resume after a disaster. They are restricted to small businesses and non-profit organizations.

### **Office of Entrepreneurial Development**

The Office of Entrepreneurial Development (OED) is the front door to America's small businesses. Through online training, strategic partnerships, and a vast resource partner network, OED supports over a million clients annually as they start, sustain and grow their small businesses. From underserved urban and rural communities to mainstream and high growth small businesses in all regions and industries, OED provides the path to growth. OED's network of business counselors, mentors and trainers reaches into communities across America through small business development centers, women's business centers and SCORE chapters. This network of resource partner business experts provides face-to-face and online counseling, training and mentoring to help small businesses develop strategic plans, conduct market studies, implement new technologies, access needed capital, and much more.

### **Office of Field Operations**

The Office of Field Operations (OFO) represents SBA field offices at headquarters. OFO is responsible for the direct execution of SBA products and services. The office establishes and monitors performance goals for 10 regional and 68 district offices. It provides policy guidance and oversight to regional administrators and district directors in implementing Agency goals and objectives and in solving problems in specific operational areas. It establishes and monitors performance goals for district offices; provides associate administrators, program heads, and the general counsel with a vehicle for overseeing field office program and policy implementation; provides feedback to headquarters management regarding the performance of their programs; ensures that field offices have adequate input to all policy formation and participate in policy deliberations at headquarters; organizes reviews of field offices; informs the SBA Administrator of field activity; and, when necessary, the Office of field Operations provides coordination with the Office of Disaster Assistance.

### **Office of General Counsel**

The Office of General Counsel (OGC) provides legal advice in support of all SBA programs and initiatives. It helps minimize the Agency's legal risks and costs, reduce litigation exposure, and monitors compliance with applicable statutes, regulations, Executive Orders and other legal requirements. OGC provides the legal support necessary to defend SBA's interest in judicial and administrative actions and proactively represents the Agency in all legal matters that arise in the context of its financial assistance, procurement and contracting programs, as well as labor and employment disputes.

### **Office of Government Contracting and Business Development**

The Office of Government Contracting and Business Development promotes increased small business participation in the federal contracting market for goods and services. It fulfills SBA's statutory mission to ensure that a fair share of federal contracting goes to small businesses.

Working with federal agencies, the SBA negotiates procurement goals, monitors performance, encourages the use of small business sources, provides procurement training and technical assistance to small firms, and provides policy direction and guidance to federal agencies. Several of the government-wide goals are statutory, including small businesses, small disadvantaged businesses, women-owned small businesses, HUBZone small businesses, and service-disabled veteran-owned small businesses.

### **Office of Hearings and Appeals**

The Office of Hearings and Appeals (OHA) was established in 1983 to provide an independent, quasi-judicial appeal of certain SBA program decisions. OHA formally adjudicates disputes rising in numerous jurisdictional areas. These include appeals regarding SBA formal size determinations; appeals from contracting officer designations of the North American Industry Classification System codes for procurements government-wide; appeals regarding certain SBA determinations relating to development companies; and appeals from Agency and private certifier small disadvantaged business determinations, all of which, by regulation, may be decided either by an administrative judge or an administrative law judge. OHA's jurisdiction also includes 8(a) Business Development program eligibility, suspension, and termination appeals, and salary offset appeals, all of which, by statute, must be decided by an administrative law judge.

### **Office of the Inspector General**

The Office of Inspector General (OIG) is an independent office created by law within the SBA to conduct and supervise audits, investigations, and other reviews relating to SBA programs and supporting operations; detect and prevent waste, fraud, and abuse; and promote economy, efficiency, and effectiveness in the administration and management of SBA programs. The inspector general keeps the SBA Administrator and the Congress fully informed of any problems, recommends corrective actions, and monitors progress in the implementation of such actions. The two operating components of the OIG are the Auditing Division and the Investigations Division. The auditing and investigations divisions each administer their respective activities through staff located in various locations around the country. The Management and Policy and Counsel Divisions support both the inspector general and the operating divisions by providing policy, planning, administrative, and legal services, respectively.

### **Office of International Trade**

**The Office of International Trade enhances the ability of small businesses to compete in the global marketplace by facilitating access to capital and technical assistance to support international trade, ensuring the interests of small business are considered and reflected in trade negotiations, and supporting and contributing to the U.S. government's international commercial and economic agenda.**

### **Office of Investments and Innovation**

The Office of Investments and Innovation assists small businesses through the administration of the Small Business Investment Company (SBIC) and the Small Business Innovation Research (SBIR) programs. SBICs are privately owned and managed investment funds that are licensed and regulated by the SBA. They use their own private capital plus funds borrowed with an SBA guaranty to make investments in qualifying small businesses, especially those with potential for substantial job growth and economic impact. The SBIR program helps small businesses develop innovations to meet the research and development needs of the federal government and then commercialize those innovations in the marketplace. In addition to helping meet federal

research and development needs, the SBIR can advance American innovation and competitiveness in the broader economy.

#### **Office of National Ombudsman and Regulatory Enforcement Fairness**

The Office of the National Ombudsman fosters a more small business-friendly federal regulatory enforcement environment by assisting small businesses when they experience excessive federal regulatory enforcement actions such as repetitive audits or investigations, excessive fines, penalties, threats, retaliation, or other unfair enforcement action by a federal agency. It does this by evaluating how federal agencies treat small businesses during enforcement or compliance actions.

#### **Office of Native American Affairs**

The Office of Native American Affairs coordinates initiatives and develops policies and procedures to ensure that SBA assistance is made available to American Indians, Alaska Natives and Native Hawaiians. The initiative consists of three major components — marketing, outreach, and training — to enhance business opportunities.

#### **Office of Performance Management and the Chief Financial Officer**

The Office the Chief Financial Officer conducts and promotes effective financial management activities for the SBA including budget, credit subsidy, financial operations, financial systems, internal controls, and acquisitions. It develops and maintains integrated accounting and financial management systems; directs, manages, and provides policy guidance and oversight of all Agency financial management personnel, activities, and operations; approves and manages financial management systems design and enhancement projects; establishes and implements Agency-wide policies for management integrity and audit follow-up, including internal controls; develops budgets for financial management operations and improvements; implements Agency asset management systems; monitors the financial execution of the Agency budget in relation to actual expenditures; and develops policies and procedures for the acquisition of supplies, equipment, and non-personnel services.

The Office of Performance Management provides tools and guidance to assist the Agency in driving performance improvement efforts across the organization. It also helps the Agency develop better performance measures in order to facilitate SBA's continued movement from measuring activity outputs to measuring programmatic and Agency outcomes. It builds Agency capacity for results-based management through data-driven reviews and analysis, training and outreach to program offices. The office supports the Agency's strategic planning and prepares annual accountability and/or performance reports.

#### **Office of Veterans Business Development**

The Office of Veterans Business Development conducts comprehensive outreach on behalf of the Agency and is responsible for the formulation, execution, and promotion of policies and programs of the Administration which advance and support veteran entrepreneurship. To accomplish this OVBD operates a national outreach initiative and provides direct service delivery through funding agreements with resource partners, coordination of outreach and service delivery with other federal agency partners, and development of Agency program initiatives.

## Appendix 5 – Glossary

**504** — 504 Certified Development Loan program, provides small businesses with long-term, fixed-rate financing for the purchase of land, buildings and long-life capital equipment.

**7(a)** — 7(a) Loan Guaranty program, SBA's primary loan program. It provides general loan financing for a wide variety of purposes.

**8(a)** — 8(a) Business Development program, assists firms owned and controlled by socially and economically disadvantaged individuals to enter and succeed in the economic mainstream.

**AARP** — Association for the Advancement of Retired Persons

**BDMIS** — The Business Development Management Information System automates the certification and annual review process for the 8(a) program.

**BusinessUSA** — provides an easy-to-use, consolidated website and 800 telephone number for small business resources in 10 federal agencies.

**CA** — Refers to Community Advantage pilot loan program

**CAP** — Cross-Agency Priority Goals, a requirement of the GPRA Modernization Act

**CAPLine** — an SBA program to help small businesses meet their short-term and cyclical working capital needs.

**CBJ** — Congressional Budget Justification, a federal agency's annual budget request to Congress.

**CDC** — Certified Development Company, refers to the Section 504 Certified Development Company debenture program.

**CEAR** — Certificate of Excellence in Accountability Reporting, an award given by the Associate of Government Accountants.

**COOP** — Continuity of Operations Plan, a predetermined set of instructions or procedures that describes how an organization's essential functions will be sustained for up to 30 days following a disaster and then return to normal operations.

**FAQ** — Frequently Asked Question

**FAR** — Federal Acquisition Regulation

**FEMA** — Federal Emergency Management Agency, the federal government agency that is tasked with responding to, planning for, recovering from and mitigating against disasters.

**FTE** — Full Time Equivalent, indicates the workload of an employed person; an FTE of 1.0 means that the person is equivalent to a full-time worker, while an FTE of 0.5 signals that the worker is only half-time.

**FY** — Fiscal Year. The federal government fiscal year begins October 1 and ends the following September 30.

**GPRA-Mod** — GPRA (Government Performance and Results Act) Modernization Act of 2010.

**GSA** — General Services Administration

**High-growth Small Business** — rapidly expanding small business that drives net new job growth. The SBA supports high-growth small businesses through its SBIR, SBIC and export programs, among others.

**HUBZone** — Historically Underutilized Business Zone, program that encourages economic development by the establishment of federal contract award preferences for small businesses located in historically underutilized business zones.

**Indian Country** — Refers to any of the many self-governing Native American communities throughout the United States.

**IT** — Information Technology, refers to matters concerned with the design, development, installation and implementation of information systems and applications.

**Jobs Act** — Small Business Jobs Act of 2010, most often referred to as the Jobs Act in SBA documents, may also be referred to as SBJA.

**LMAS** — Loan Management and Accounting System, financial management system that supports loan accounting.

**L/LMS** — The Loan and Lender Monitoring System, tracks performance and credit scores of 7(a) and 504 loans, and Lender Risk Ratings for active lenders. .

**NEI** — National Export Initiative

**OCFO** — Office of the Chief Financial Officer

**OCIO** — Office of the Chief Information Officer

**OCRM** — Office of Credit Risk Management

**ODA** — Office of Disaster Assistance. SBA office that promotes economic recovery in disaster ravaged areas. SBA disaster loans are the primary form of federal assistance for non-farm, private sector disaster losses for individuals and businesses.

**OEO** — Office of Economic Opportunity, SBA office formed in 2013

**OIG** — Office of Inspector General, conducts and supervises audits, inspections and investigations relating to SBA programs and operations.

**OMB** — U .S. Office of Management and Budget, White House office that oversees preparation of the federal budget and supervises its administration in Executive Branch agencies.

**ONAA** — The Office of Native American Affairs is the SBA office that coordinates Native American initiatives and develops policies and procedures to ensure that SBA assistance is made available to American Indians, Native Alaskans, and Native Hawaiians.

**ONO** — Office of the National Ombudsman

**OPM** — U.S. Office of Personnel Management, the federal government's human resources agency.

**OSDBU** — Office of Small and Disadvantaged Business Utilization

**PII** — Personally Identifiable Information is any information that can identify an individual.

**PEC** — President's Export Cabinet

**PCR** — Procurement center representative

**QSR** — Quality Service Review

**RASCO** — Recruitment, Assessment, Selection, Credentialing and Onboarding

**RBR** — Risk-based Review

**R&D** — Research and Development

**Recovery Act** — American Recovery and Reinvestment Act of 2009, most often referred to as the Recovery Act in SBA documents, may also be referred to as ARRA.

**SBA** — U.S. Small Business Administration, a federal agency of the Executive Branch whose mission is to aid, counsel and protect the interests of small businesses and help families and businesses recover from disasters.

**SBA Express** — Provides selected lenders with a 50 percent guaranty on their loans in exchange for the ability to primarily use their own application and documentation forms, making it easier and faster for lenders to provide small business loans of \$250,000 or less.

**SBDC** — Small Business Development Center program, delivers management and technical assistance, economic development and management training to existing and prospective small businesses through cooperative agreements with universities and colleges and government organizations.

**SBDCNet** — National information clearinghouse that provides small business research services to small business development center counselors in all fifty states, Guam and Puerto Rico.

**SBIC** — Small Business Investment Company, provides long-term loans, debt-equity investments and management assistance to small businesses, particularly during their growth stages.

**SBIR** — Small Business Innovation Research, SBA office that supports scientific excellence and technological innovation through the investment of federal research funds.

**SBWG** — Small Business Working Group

**SCORE** — A volunteer organization sponsored by the SBA that offers counseling and training for small business owners who are starting, building or growing their businesses.

**SLA** — Small Loan Advantage, an initiative prior to January 1, 2014, that was aimed at expanding access to SBA's 7(a) product for loans under \$350,000.

**SOP** — Standard Operating Procedure. SOPs are the primary source of the Agency's internal control.

**STEP** — References State Trade and Export Promotion program or grant.

**USDA** — United States Department of Agriculture

**USGBS** — U.S. Global Business Solutions, a multi-agency initiative to collaborate and combine trade finance programs and export marketing services into a one-stop platform

**VERA/VSIP** — Voluntary Early Retirement Authority/Voluntary Separation Incentive Payment

**WBC** — Women's Business Center. WBCs provide long-term training and counseling to women owning or managing a business, including financial, management, marketing and technical assistance, and procurement.

## Appendix 6 – Management Challenges

### Summary of SBA’s Most Serious Management and Performance Challenges

The OIG submitted to the SBA its Report No. 14-01 entitled: “Report on the Most Serious Management and Performance Challenges Facing the Small Business Administration in Fiscal Year 2014” dated October 31, 2013. The report is based on specific OIG, GAO, and other official reports, as well as the OIG’s general knowledge of SBA programs and operations. This report represents the OIG’s current assessment of Agency programs or activities that pose significant risks, including those that are particularly vulnerable to fraud, waste, error, mismanagement, or inefficiencies. A summary of the contents of the report follows:

- Challenge 1. Procurement flaws allow large firms to obtain small business awards and agencies to count contracts performed by large firms towards their small business goals
- Challenge 2. Weaknesses in information systems security controls pose significant risks to the Agency
- Challenge 3. Effective human capital strategies are needed to enable the SBA to carry out its mission successfully and become a high-performing organization
- Challenge 4. The SBA needs to implement a quality control program in its loan centers
- Challenge 5. The SBA needs to further strengthen its oversight of lending participants
- Challenge 6. The Section 8(a) Business Development program needs to be modified so more firms receive business development assistance, standards for determining economic disadvantage are justifiable, and the SBA ensures that firms follow 8(a) regulations when completing contracts
- Challenge 7. Effective tracking and enforcement would reduce financial losses from loan agent fraud
- Challenge 8. The SBA needs to modernize its Loan Accounting System and migrate it off the mainframe
- Challenge 9. The SBA needs to accurately report, significantly reduce, and strengthen efforts to recover, improper payments in the 7(a) loan program
- Challenge 10. The SBA needs to significantly reduce improper payments in the Disaster Loan program
- Challenge 11. The SBA needs to effectively manage the Acquisition Program

To read the full report, go to: <http://www.sba.gov/office-of-inspector-general/875/756322>