

**SBA Project Plan**  
**Section: Microloan Program Expansion**

**August 3, 2009**

**PROGRAM PURPOSE**

The SBA provides funding for qualified nonprofit community-based lenders who, in turn, provide “microloans” of up to \$35,000 to local entrepreneurs and small business owners, accompanied by training and technical assistance. To increase microloan dollars and the number of microloans, the Recovery Act provides additional funds to expand this program.

**PUBLIC BENEFITS**

Community-based lenders, also called “intermediaries,” will now be able to provide additional loans and technical assistance to assist start-up businesses and to help successfully grow small businesses.

**PROGRAM DETAILS**

- The SBA provides funding to intermediaries who in turn provide microloans to borrowers
- Small businesses can apply for loans up to \$35,000; the average loan size was \$ 11,600 in FY2008.
- The SBA provides technical assistance grants to intermediaries up to a maximum of 25% of their outstanding SBA debt to enable the intermediaries to provide marketing, management, and business counseling for potential and actual Microloan borrowers.

<b>QUICK PROJECT FACTS</b>	
<b>Project Description</b>	Expansion of SBA’s Microloan Program
<b>Appropriated Funds</b>	The associated funding for this program are \$6 million for loan subsidy and \$24 million for technical assistance grants.
<b>Program Level</b>	\$50 million in loans
<b>Implementation Timeline</b>	2/17/09 – 6/30/09
<b>Program Sunset</b>	9/30/10 or as funds allow
<b>RESOURCES</b>	
<b>Exec. Sponsor</b>	Eric Zarnikow
<b>Team Lead</b>	Sarita James & Audrey Farley (Acting Co-Leaders)
<b>Offices Involved</b>	OFA, OCIO, OGC, OCFO, ORM, OFO, M&A, OED OPGM <sup>1</sup>

<sup>1</sup> See Glossary of Office Names

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**PROJECT PLANS**

Milestones for this project are listed below. Progress will be measured against the planned delivery dates. The due dates listed below for notices and other major documents to be issued by the Agency incorporate a two to three week period between the initial drafting of the document and final clearance and publishing. During that period, the document must be cleared by all major offices in the Agency and by OMB.

<b>Milestones (Accountable office[s])</b>	<b>Due Date</b>	<b>Status</b>	<b>Comment</b>
<b>Planning Phase</b>			
Define requirements for systems modifications (OCIO)	3/4/09	Completed	
Submit budget requirements (Workgroup)	3/6/09	Completed	
Complete risk assessment (ORM, Workgroup)	5/7/09	Completed	
Develop Risk Mitigation Plan (ORM, Workgroup)	5/15/09	Completed	Developed 7/15/09
Finalize recipient reporting requirements	7/1/09	Completed	Issued 7/31/09
Develop Program Guidance	7/15/09	Completed	Developed 7/17/09
Develop "Close Out" plan	8/30/09		
<b>Execution Phase</b>			
Initiate marketing outreach (Workgroup)	5/18/09	Completed	
Provide guidance on alternative grant application procedures (OCPL)	6/15/09	Completed	Published 7/31/09
Submit Program Guidance and forms for OMB Approval	8/15/09	Completed	Submitted 7/20/09
Issue Program Guidance (Workgroup)	8/30/09	Completed	Issued 7/31/09
Implement systems modifications (OCIO, OCA, OCFO)	10/31/09	In Progress	
Initiate Close Out plan	7/31/10		or earlier if funds are expended
<b>Evaluation Phase</b>			
Monitor spending of appropriated funds and program performance (OCFO/PMO/Steering Committee/Workgroup)	9/30/12	Ongoing	

Dates in the chart above are subject to change based on final policy decisions and external factors. These factors may include the need to execute third-party contracts; recruit, hire and train additional staff; obtain necessary external approvals; and create or modify required systems. Project Plans will be re-baselined and updated as necessary.

**TRANSPARENCY AND ACCOUNTABILITY**

To report progress on the implementation of this project, SBA will regularly update the Milestones table set forth above to report on the status of milestone attainment. Updated Project Plans will be published on SBA’s Recovery web site: <http://www.sba.gov/recovery/agencyplans>.

SBA will also be monitoring and reporting on progress against targeted project outcomes. The table below indicates the targeted outcomes and the metrics that SBA will use to monitor and report performance for this project.

<b>Outcomes</b>	<b>Metrics</b>
Reinvigorated Small Local Entrepreneurship	<ul style="list-style-type: none"> <li>• Dollar value of Microloans approved by Microlenders</li> <li>• Number of small businesses assisted with Microloans</li> <li>• Total number of clients counseled</li> </ul>
Facilitate job growth and creation	<ul style="list-style-type: none"> <li>• Number of jobs created or retained</li> </ul>

<b>Metrics</b>	<b>Loans Approved by Microlenders</b>		<b>Number of small businesses assisted with Microloans</b>		<b>Number of jobs created or retained</b>		<b>Total number of clients counseled</b>	
	Output	Output	Output	Outcome	Output	Output	Output	
Measure Type	Output		Output		Outcome		Output	
Measure Frequency	Monthly		Annual		Monthly		Quarterly	
Unit of Measure	Dollars		Number		Number		Number	
Year	FY2009	FY2010	FY2009	FY2010	FY2009	FY2010	FY2009	FY2010
Original Program Target	\$0	\$0	0	0	0	0	0	0
Revised Full Program Target	\$5.5 million	\$26.8 million	470	2,300	1,600	8,200	470	2,300
Target (incremental change in performance)	\$5.5 million	\$26.8 million	470	2,300	1,600	8,200	470	2,300

SBA will generate Program Performance Reports that will contain metrics showing outcomes, usage, borrower and lender characteristics, and risk parameters.

In addition, SBA will generate a Program Performance Overview Report, which will contain detailed financial and performance information pertaining to all SBA Recovery Act programs, with cross-year outcome and performance comparisons. This report will be used to measure progress against agency-wide performance targets. Information contained in the Program Performance Overview Report and each Program Performance Report will be updated periodically and published on SBA’s Recovery web site.

**MONITORING AND EVALUATION**

The SBA developed an agency-wide framework to ensure timely and effective implementation of Recovery Act projects to support America's small businesses. The SBA Recovery Act Steering Committee, comprised of senior SBA leadership, meets every week to review, evaluate and assess the status and results of each SBA-related Recovery Act project.

The Microloan project is managed by a team. Project teams, which meet several times each week, and supporting offices are held accountable for on-time completion of project milestones and deliverables. Project teams also meet regularly with the Performance Management Office to track metrics and milestones, which are reported weekly to the Steering Committee.

The Steering Committee reviews reports to identify:

- Progress made toward each project milestone
- Factors that have the potential to slow implementation or decrease effectiveness
- Effectiveness of each project measured against expected outcomes
- Success of any implemented adjustments made to strategies, services and project
- Effectiveness of risk mitigation strategies

**BARRIERS TO EFFECTIVE IMPLEMENTATION**

- Grants.gov may be overwhelmed so we have developed three alternate delivery mechanisms in the event grants.gov is not available.
- Additional oversight required, as the Recovery Act provides an additional year's supply of Technical Assistance funds and 2 years of loan volume, which must be disbursed and managed over an 18 month period.

**GLOSSARY OF OFFICE NAMES**

CLA	=	Office of Congressional & Legislative Affairs
DFC	=	Denver Finance Center
M&A	=	Office of Management & Administration
OCA	=	Office of Capital Access
OCFO	=	Office of the Chief Financial Officer
OCIO	=	Office of the Chief Information Officer
OCPL	=	Office of Communications & Public Liaison
OCRM	=	Office of Credit Risk Management
OED	=	Office of Entrepreneurial Development
OFA	=	Office of Financial Assistance
OHCM	=	Office of Human Capital Management
OFO	=	Office of Field Operations
OGC	=	Office of General Counsel
OPGM	=	Office of Procurement & Grant Management
OPP	=	Office of Policy & Strategic Planning
ORM	=	Office of Risk Management
PMO	=	Performance Management Office