

Payment Integrity Scorecard

Program or Activity

Economic Injury Disaster Loan Emergency Assistance (Advance)

Reporting Period

Q2 2023

FY 2022 Overpayment Amount (\$M)*

\$766

*Estimate based a sampling time frame starting 4/2021 and ending 3/2022

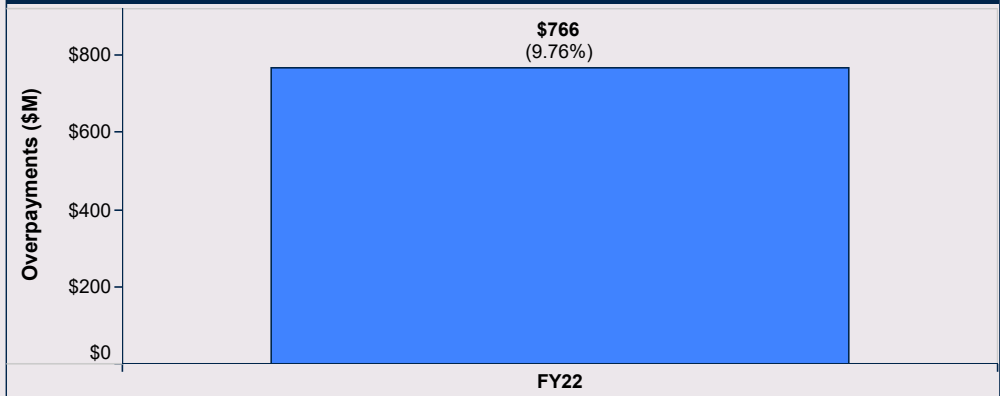


SBA
Economic Injury Disaster Loan Emergency Assistance (Advance)

Brief Program Description & summary of overpayment causes and barriers to prevention:

The Economic Injury Disaster Loan Emergency Assistance (EIDL Advance) Program was a limited-funded program which provided grants to the hardest hit small businesses and private nonprofits to alleviate the economic impact of the COVID-19 pandemic. The grants are not repaid and were intended to cover working capital and normal operating expenses, particularly for businesses located in low-income areas. The SBA ceased accepting new applications as of January 1, 2022. As of May 6, 2022, invitations for Supplemental Advances were no longer being issued, nor were reconsideration of previously declined grant applications, being accepted. As of May 16, 2022, the COVID-EIDL portal through which the grants were processed, was permanently closed.

**Historical Payment Rate and Amount (\$M)
(Overpayment as Percentage of Total Outlays)**



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

The SBA ceased accepting new applications as of January 1, 2022. As of May 6, 2022, invitations for Supplemental Advances were no longer being issued, nor were reconsideration of previously declined grant applications, being accepted. Therefore, the possibility of continuing overpayments in the EIDL Advance Program are not plausible and no preventative action is necessary.

Accomplishments in Reducing Overpayment

Date

1	The Program's anticipated compliance with the Payment Integrity Information Act (PIIA). The SBA ceased accepting new applications as of January 1, 2022; it is not in the interest of the Agency to expend time and resources to address improvements to a now-defunct program.	Oct-22
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Goals towards Reducing Overpayments	Status	ECD
<p>1 The top goal was to reduce improper payments by 0.1% for the year. We note SBA ceased accepting new applications as of January 1, 2022. As of May 6, 2022, invitations for Supplemental Advances were no longer being issued, nor were reconsideration of previously declined grant applications, being accepted.</p>	Completed	Jan-23

Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
<p>1 Recovery Audit</p>	<p>Currently, the SBA is performing an Audit to identify payments disbursed in excess of policy allowance as a result of the Office of the Inspector General Audit 22-01 of EIDL Advance Program overpayments made to sole proprietors and independent contractors.</p>	<p>An audit was performed to review grants flagged for possible payments made under fraudulent circumstances.</p>

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$766M	Overpayments within agency control that occurred because of an Inability to Access the Data/Information Needed.	SBA identified the primary root cause as Statutory Requirements of Program Were Not Met. In order to fit into categories in the OMB data-call, SBA identified a secondary root cause as Inability to Access Data/Information. SBA maintains that the primary root cause is correct	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	Strategy to decrease overpayments is to educate the processing staff on properly addressing business and citizenship eligibility, as well as confirmation that the business is in a low-income area. The anticipated impact is nil as the program has terminated.