



# Overview of SBA Certification Programs

# Speaker Contact Information

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# Agenda

## 8(a) Certification

- Eligibility Requirements
- Initial Application
  - Where to start
  - Required information and documentation
  - SBA's review process
  - Reconsideration and appeal process
  - Establishing and Maintaining NHO status
- Annual review vs. continuing eligibility review
  - Required information and documentation
  - Resources and best practices for entity-owned Participants
- Available resources

# Agenda (cont'd)

## **WOSB and EDWOSB Certification**

- Eligibility Requirements
- Self-Certification and Third-Party Certification
  - Where to start
  - Required information and documentation
  - Contracting Officer roles and responsibilities
- WOSB protests and program examinations
- Proposed SBA Certification Rule (published May 14, 2019)

## **Questions and Feedback**

# 8(a) BD Program Eligibility Requirements

A concern seeking 8(a) certification must:

- Be small under the size standard corresponding to its primary NAICS code;
- Be at least 51% owned and controlled by one or more U.S. citizens who are socially and economically disadvantaged and of good character;
- Demonstrate its potential for success in the private sector.

# Initial 8(a) Application Process

## Where to start

**Step 1:** Obtain a Data Universal Number System (DUNS) number from Dun & Bradstreet

**Step 2:** Register your firm's profile in the System for Award Management (SAM.gov)

**Step 3:** Create your firm's profile on the Dynamic Small Business Search (DSBS)

**Step 4:** Create an account on Certify.SBA.gov and claim your firm's profile

**Step 5:** Complete and submit your 8(a) BD program application

# Initial 8(a) Application Process

## Required Information and Documentation

### All Applicants

#### Individually-Owned Applicants

- Prior 8(a) involvement (DVD and family members)
- Basis of social disadvantage
- Personal financial information for each DVD and his/her spouse
- Resumes for all firm principals
- NEW: IRS Form 4506-T for all DVDs

#### Size

- Tax filings
- Financial statements
- Previous size determinations

#### Ownership and control

- Relevant corporate documents
- Buy/sell agreement
- Voting agreements
- Bank account signature card

#### Character

- Criminal background information for firm principals
- Information related to any unresolved outstanding federal debt
- Suspension/debarment certification

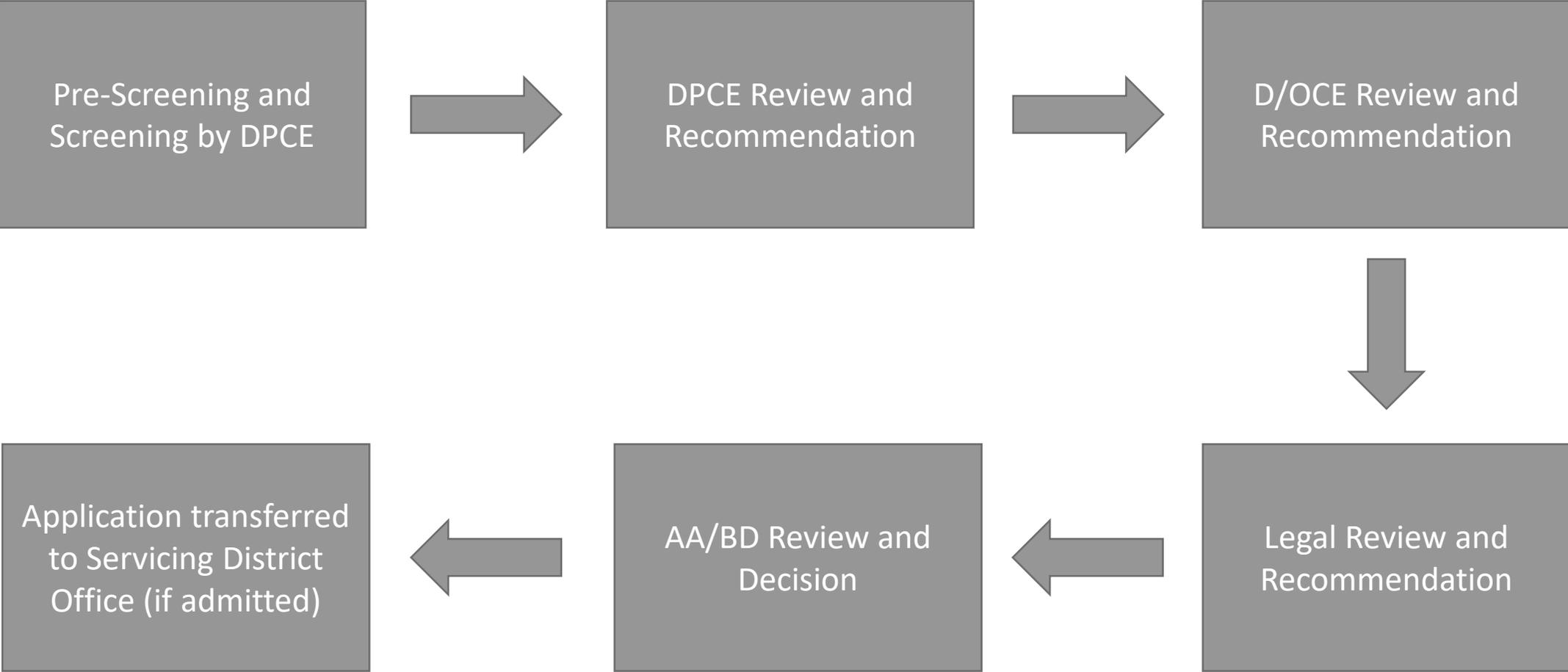
#### Potential for Success

- Interim or year-end financial statements (balance sheet, P/L statement)
- Loan documents
- Licensing
- Manager resume
- Bonding capacity

#### Entity-Owned Applicants

- Sister subsidiary information
- Basis for economic disadvantage (Tribes, NHOs)
- Parent entity's financial capacity
- Benefits report for continued status (NHOs)

# Initial 8(a) Application Process SBA Review



# Initial 8(a) Application Process

## Reconsideration and Appeal

### Reconsideration

- Matter of right for all declined applicants
- Must be filed within 45 days of receipt of the decline decision – processed through Certify
- Identical internal review process
- If a reconsideration decision raises new grounds for decline, an applicant may request reconsideration on those grounds

### Appeal to SBA's Office of Hearings and Appeals

- Limited jurisdiction
  - Decision must be based solely on any combination of: **social disadvantage, economic disadvantage, ownership, or control**
  - *In the Matter of Neo-Tech Solutions, Inc., BDPE-560 (2017)*
- Appeal may be filed without requesting reconsideration, or after a reconsideration decline decision
- Must be filed within 45 days of receipt of the decline decision – processed outside of Certify in accordance with 13 CFR Part 134
- OHA's decision is the final agency decision

# Initial 8(a) Application Process

## Establishing and Maintaining NHO Status

Pursuant to the SBA Act and SBA regulations, an NHO is:

- A community service organization serving Native Hawaiians in the State of Hawaii;
- Not for profit and chartered with the State of Hawaii;
- Controlled by Native Hawaiians; and
- Whose business activities will principally benefit such Native Hawaiians.

# Initial 8(a) Application Process

## Establishing and Maintaining NHO Status (cont'd)

What is SBA looking for to assess whether an entity seeking to establish its status as an NHO is principally benefitting Native Hawaiians?

- Financial or charitable contributions to organizations whose mission focuses on assisting Native Hawaiians
- Compensation of officers and board members relative to benefits distributions
- Activities specifically targeted to impact the Native Hawaiian community

# 8(a) Annual Review and Continuing Eligibility

## Annual Review

- Statutory annual business development review
  - Financial statement
  - Business plan
  - Access to credit & bonding
  - Forecasted contract needs
  - Capabilities
- Conducted each year on a Participant's program admission anniversary
- Now processed through Certify

## Continuing Eligibility

- Conducted in conjunction with annual review for firms deemed complex or high risk; and
- For any firm when SBA receives specific and credible allegations questioning a firm's continued program eligibility

# 8(a) Annual Review Information and Documentation

## All Participants

- Updates to SAM.gov profile
- Previously undisclosed changes to ownership,\* management, business structure, and primary NAICS code\*
- Continued good character information
  - Criminal conduct
  - Adverse actions (lawsuits, bankruptcy)
- Most recent tax filings
- Financial statements
- 8(a) contract information (including 8(a) JVs)
- Forecast of contract needs
- Access to credit and capital
- Distributions, advances, and salary information
- SBA Form 1790
- Known affiliate information
- 8(a) MPA information
- Transition management plan (Years 5-9 only)

# 8(a) Annual Review Information and Documentation

## Individual vs. Entity Owned Participants

### Individual

- DVD compensation
- DVD outside employment
- DVD personal financial information
  - Personal net worth
  - AGI
  - FMV of total assets
  - Assets transferred for less than FMV

### Entity-Owned

- Benefits report
  - Cultural programs
  - Employment assistance
  - Jobs, scholarships, internships
  - Subsistence activities

## 8(a) BD Program Resources

- Your servicing district office and resource partners
- Certify Knowledge Base  
(<https://sbaone.atlassian.net/wiki/spaces/CKB/overview>)
  - Training modules
  - User Guides
  - FAQs
  - Technical Support
  - Document checklists, including entity specific workaround guidance

# WOSB and EDWOSB Certification

A concern seeking WOSB or EDWOSB certification must:

- Be small under the size standard corresponding to its primary NAICS code
- At least 51% owned and controlled by women who are U.S. citizens

In addition, a concern seeking EDWOSB certification must meet regulatory criteria for economic disadvantage

# WOSB and EDWOSB Certification

## Two Options for Certification

### Self Certification

### Third-Party Certification

- [El Paso Hispanic Chamber of Commerce](#)
- [National Women Business Owners Corporation](#)
- [US Women's Chamber of Commerce](#)
- [Women's Business Enterprise National Council](#)

# WOSB and EDWOSB Certification

## Where to start

**Step 1:** Obtain a Data Universal Number System (DUNS) number from Dun & Bradstreet

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**Step 4:** Create an account on Certify.SBA.gov and claim your firm's profile

**Step 5:** Upload certification information into Certify.SBA.gov

**Step 6:** Update your profile on SAM.gov to reflect your WOSB and/or EDWOSB certification

# WOSB and EDWOSB Certification

## Required Information and Documentation

- Proof of U.S. citizenship (i.e., birth certificate, naturalization paper, or unexpired passport) for qualifying individual(s).
- Resume (optional)
- Joint Venture agreements if applicable
- Relevant corporate documents

# WOSB and EDWOSB Certification

## Required Information and Documentation

### Supplemental Materials for EDWOSB

In addition, firms claiming EDWOSB status must provide personal financial information for qualifying individual(s) and spouses:

- A completed and signed IRS Form 4506-T
- Three most recent personal income tax returns (all schedules and W-2s)
- Personal net worth information
- FMV of all personal assets

# WOSB and EDWOSB Certification

## Contracting Officer Roles and Responsibilities

Before awarding a WOSB/EDWOSB sole source or set-aside contract, the contracting officer will:

1. Request access to view the firm's records
  - DUNS Numbers
  - Solicitation Number
  - NAICS code assigned to the solicitation
  - Procurement type (sole source, set-aside)
2. Review the certification summary and supporting documents

In general, a CO may rely on a firm's certification as long as:

- Certify contains all required documents;
- There has been no protest filed; and
- The contract file contains no credible information that calls into question the firm's eligibility.

# WOSB and EDWOSB Certification Program Examinations and Status Protests

## Program Exam

An investigation that verifies the accuracy of any WOSB/EDWOSB certification made or information provided as part of the certification process or in connection with a WOSB/EDWOSB requirement

## Status Protest

A mechanism for challenging or verifying the WOSB or EDWOSB eligibility of a concern in connection with a specific WOSB/EDWOSB contract

# WOSB and EDWOSB Certification Proposed SBA Certification Rule

Published May 14, 2019 (84 Fed. Reg. 21256)

## Highlights:

- Eliminates self certification option for WOSB/EDWOSB contracts
- Implements formal SBA WOSB certification process
- Contemplates acceptance of existing Federal and state certification programs
- Third-party certifiers must be SBA-approved, and must notify applicants of its fees and SBA's free online certification process
- Seeks to revise the requirements for economic disadvantage so that 8(a) and EDWOSB thresholds are consistent

# Questions and Feedback