

# *Overview of SBA Certification Programs*

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# Agenda

- Why Certify & when do you have to be certified?
- 8a Program
- HUBZone Program
- WOSB Federal Contract Program
- All Small Mentor Protégé Program

## Why Certify & when do you have to be certified?

- Certification enables you to participate in set-aside opportunities or business development programs – it's your hunting license.
- **Small Business Set-aside** – self certification permitted
- **Service Disabled Veteran set-aside** – self certification permitted unless you do business with the VA – then the VA certifies you
- **WOSB or EDWOSB set-aside** – presently self-certification but changing.
- **HUBZone set-aside** – must be SBA certified
- **8(a) Program** – must be SBA certified
- **All Small Mentor-Protégé** – Must be SBA Approved
- **Size** – Must be small for your primary NAICS

## 8(a) Program

- **Size** – firm must be small in its primary NAICS
- **Ownership & Control** Not less than 51% owned & controlled by economically disadvantaged; personal net worth must be less than \$750,000; Adjusted gross yearly income averaged over the three years preceding the certification less than \$250,000
- **Social Disadvantaged** - Not less than 51% owned & controlled by socially disadvantaged individual. Historically Disadvantaged (ex. Asian Pacific Americans\_ or Preponderance of Disadvantaged condition
- **Citizenship** – at least 51% **directly** owned & controlled by U.S. citizens\* (different for entity-owned firms, such as those owned by tribal governments and Native Hawaiian Organizations, Community Development Corporations and small agricultural cooperatives)
- Term of Program – 9 years

### SBA REGULATIONS: Governed by 13 CFR § 124

[www.ecfr.gov](http://www.ecfr.gov) – click on “Title 13” and then “Part 124”

- U. S. Citizens 13 CFR § 124.101
- Size 13 CFR § 124.102
- Social Disadvantage 13 CFR § 124.103
- Economic Disadvantage 13 CFR § 124.104
- Ownership 13 CFR § 124.105
- Control and Management 13 CFR § 124.106
- Potential for Success 13 CFR § 124.107
- Other -
  - Good Character, One-Time eligibility, Federal Financial Obligations. 13 CFR § 124.108
- ANC's and AIT's 13 CFR § 124.109
- NHO's 13 CFR § 124.110
- CDC's 13 CFR § 124.111

## ***8(a) Application Process - From Cradle to Grave:***

Firm submits an application to be considered for the 8(a) BD program to the Certification and Eligibility Centers (known as the CODS) /Office of Certification & Certification (OCE)

- CODS screens and processes application
- Associate Administrator of Business Development makes the final decision whether to approve or decline the application

- District Office (DO) conducts orientation when firm is certified into the 8(a) BD Program and assists firm with developing business plan for approval
- DO services the 8(a) firm for 9 years as long the firm maintains eligibility

- During 9 year term, firm is able to receive 7(j) assistance, participate in Mentor-Protege Program; may receive 8(a) contracts
- DO conducts annual review, financial review, and reviews business plan on an annual basis; performs exit interview

Continuing Eligibility Center(CEC)/OCE conducts continuing eligibility annually; processes firms leaving the 8(a) BD Program (Termination, Early Graduation, Voluntary Withdrawl as well as Suspension, Change of Ownership)

## HUBZone certification & continuing certification/compliance

- **Size** – firm must be small in its primary NAICS (i.e., revenues or employees from the HUBZone firm + affiliates). *Who is an affiliate?* see [13 CFR 121.103](#)
- **Principal office\*** – must be in a HUBZone area
- **Employees\*** – at least 35% of the firm’s employees must reside in a HUBZone
- **Ownership & Control** – at least 51% **directly** owned & controlled by U.S. citizens\* (different for entity-owned firms, such as those owned by tribal governments and Native Hawaiian Organizations, Community Development Corporations and small agricultural cooperatives)
- **Attempt to Maintain\*** – firm may fall below 35% but **ONLY** when performing on a HUBZone contract.

\*definitions are at [13 CFR 126.103](#)



# WOSB/EDWOSB Federal Program certification

- Certify – Must maintain required records in [Certify.SBA.Gov](http://Certify.SBA.Gov)
- **NAICS** – Only applies to 121 Industries.
- **Certification** – Coming. Currently Self-certify or TPC
- **Size** – firm must be small in its primary NAICS. see [13 CFR 121.103](http://13CFR121.103)
- **Ownership & Control** – at least 51% **directly** owned & controlled by U.S. citizens
- **EDWOSB** - Not less than 51% owned & controlled by economically disadvantaged women see [13 CFR 127.200 \(a\)](http://13CFR127.200(a)); personal net worth must be less than \$750,000; Adjusted gross yearly income averaged over the three years preceding the certification less than \$350,000
- **WOSB** - Not less than 51% owned & controlled by Women see [13 CFR 127.200 \(a\)](http://13CFR127.200(a))
- TPC – May use 1 of 4 SBA authorized third party certifiers



# All Small Mentor Protégé Program Requirements for Participation

- **Size** – firm self certifies that it is small in the size standard corresponding to primary NAICS; or seeking BD assistance in a secondary NAICS, and qualifies as small.
- Protégé must find its own Mentor firm.
- **Business Development** must be in 6 distinct categories of assistance that SBA approves in a Mentor Protégé agreement.
- **Mentor-Protégé pairs** can form a joint venture.
- **SBA does not approve JV agreements.**
- **Protégé must own 51% of JV.**
- **Protégé small business partner to JV must perform 40% of the applicable percentage of work performed by JV when awarded contract.**
- **JV takes on certifications of Protégé SB (i.e. WOSB, 8(a), HUBZone, SDVOSB)**





## Questions and More information

- For more information contact
  - Your local SBA District Office
  - SBA’s Office of Business Development
  - SBA’s Office of HUBZone
  - SBA’s Office of Women Owned Small Business Federal Contract Program
  - Visit [www.sba.gov](http://www.sba.gov)