

Federal Certification Criteria

Certification	Federal Goal	Business Size	Personal Net Worth	Ownership	Status	Control ¹
DBE (Disadvantaged Business Entity)	5%	"Small" per SBA "NAICS" size standards. ² For agency specific certifications, see ³	"Disadvantaged" means personal net worth less than \$750,000, EXCLUDING home, business or property owned solely by spouse.	51% Disadvantaged Owner	Qualifying member must be "disadvantaged" minority or woman.	51% qualifying disadvantaged owner or owners.
MBE (Minority Business Enterprise)		"Small" per SBA "NAICS" size standards	No personal net worth limitation	51% Minority Owner	Minority owner must be member of recognized minority or ethnic group including: African American, Asian American, Pacific Islander, and Native American.	51% qualifying minority owner or owners.
WBE (Women Business Enterprise)	5%	"Small" per SBA "NAICS" size standards	No personal net worth limitation	51% Woman Owner	Owner must be female.	51% qualifying female owner or owners.
8a	No goal. ⁴	"Small" per SBA "NAICS" size standards	Personal net worth limitation of \$250,000, EXCLUDING home, business or property owned solely by spouse.	51% Socially and Economically Disadvantaged Owner.	Can be minority or woman; in limited instances can be a non-minority male.	51% qualifying socially and economically disadvantaged owner.

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Service Disabled Veteran	3%	"Small" per SBA "NAICS" size standards	No personal net worth limitation	51% owned by Service Disabled Vet or spouse of deceased vet	Same as ownership	51% qualifying owner
HUBZONE (Historically Underutilized Business Zone)	3%		No personal net worth limitation	51% owned by U.S. Citizen; Principal place of business must be located within designated HUBZONE; 35% employees must be residents of HUBZONE		

Steps for Federal Certification⁵

1. Secure Data Universal Number System (DUNS) number. // www.dnb.com/US/duns_update/index.html
2. Secure Federal Tax ID number. Use IRS Form SS-4. // <http://www.irs.gov/businesses/small/article/0%2C%2Cid%3D102767%2C00.html>.
3. Secure your NAICS industry code or codes. // <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=b6e780955530049be4cc0d0a0e391115&rgn=div5&view=text&node=13:1.0.1.1.15&idno=13#13:1.0.1.1.15.1.264.9>
4. For self-certifications (WBE) or non-minority or 8a vendor status, register with federal Central Contractor Registry. // www.ccr.gov
5. Secure special certifications (8a, Service Disabled Veteran, HUBZone) through SBA. // www.sba.gov
6. For state and local certifications, check with your local government agency for relevant criteria and regulations.

¹ "Control" is typically measured by ability of qualifying "member" or "members" to make all day to day management decisions of company. More than just stock ownership; requires day to day decision-making authority; and contract independence when dealing with "parent company".

² For industry size standards, see: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=b6e780955530049be4cc0d0a0e391115&rgn=div5&view=text&node=13:1.0.1.1.15&idno=13#13:1.0.1.1.15.1.264.9>

³ Certain federal agencies, such as Department of Transportation DBE certifications, are subject to size standards which vary from those adopted by the SBA. Be certain to check your specific agency certification guidelines.

⁴ While there are no overall 8a goals, the program operates on the basis of either sole source or restricted competition. "Sole Source", i.e. agencies with procurements valued under \$3 million can award to a single 8(a) company without being put out for bid. "Restricted competition", i.e. agencies with procurements valued at more than \$3 million can permit restricted competition solely among 8(a) firms.

⁵ For more information on federal certifications, see: www.sba.gov

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