



U.S. Small Business
Administration



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SBA's Small Business

Veteran Small Business Certification Program (VetCert)

Not intended for public distribution

Hosts

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Welcome to “SBA Virtual Learning 2023”

1. Questions answered during the final 10 minutes.
2. Technical problems: Contact your IT admin who manages Teams settings for your organization.
3. Captioning available for this presentation.
4. We cover the “**SBA Quick Reference**” as time allows.
5. For more SBA training visit the SBA Learning Center website <https://www.sba.gov/tools/sba-learning-center/search/training>

Association of Procurement Technical Assistance Centers (APEX/APTAC)

Procurement Technical Assistance Centers are a vital resource partner.

- APTAC posts past “First Wednesday” programming at this link: <http://www.aptac-us.org/for-contracting-officers-sba-webinar-library/>
- Contracting officer resources: “How PTACs partner with federal agencies”: <http://www.aptac-us.org/federal-partners/>
- Find your nearest APEX Accelerators/Procurement Technical Assistance Center at <http://www.aptac-us.org>
- APEX Accelerator Information at <https://www.apexaccelerators.us/#/>

Small Business Administration YouTube Page

SBA YouTube page posts past “First Wednesday” programming at links below.

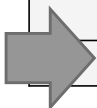
- October 5, 2022 – 8(a) Business Development Program Updates: <https://youtu.be/Yl5Sp0dP1aE>
- November 2, 2022 – Surety Bond Guarantee Program: <https://youtu.be/QIZJiMLcc5o>
- December 7, 2022 – Subcontracting Program: <https://youtu.be/gMaaeGl8CBs>
- January 4, 2023 – Surveillance Review Program: <https://youtu.be/euUX4Jv6kRI>
- February 1, 2023 – HUBZone Program: <https://youtu.be/YGnS8e6idCc>
- March 1, 2023 – The Mentor Protégé Program: <https://youtu.be/A9KbCm4FP1c>
- April 5, 2023 – Non-Manufacture Rule (NMR): <https://youtu.be/AqwYMWoe9f0>
- May 3, 2023 – Size Program: https://youtu.be/45WZ_oPb1GY
- Jun 7, 2023 – Legislature and Regulatory Updates: <https://youtu.be/ljx9IajQJNY>
- July 5, 2023 – Market Research: [SBA First Wednesday Market Research - July 13, 2023](#)
- August 2, 2023 – Service-Disabled Veteran Owned Program (SDVOSB):

FIRST WEDNESDAY VIRTUAL LEARNING SERIES

FY 2023 SCHEDULE

1:00 to 2:00 PM Central Time

FY 2023	Date	Topic
1	October 5, 2022	8(a) Business Development Program Updates
2	November 2, 2022	Surety Bond Guarantee Program
3	December 7, 2022	Subcontracting Program
4	January 4, 2023	Surveillance Review Program
5	February 1, 2023	HUBZone Program
6	March 1, 2023	The Mentor Protégé Program
7	April 5, 2023	Non-Manufacture Rule (NMR)
8	May 3, 2023	Size Program
9	June 7, 2023	Legislature and Regulatory Updates
10	July 5, 2023	Market Research
11	August 2, 2023	Service-Disabled Veteran Owned Program (SDVOSB)



The program schedule is for information only and is subject to change.

One Continuous Learning Point

- Self-service process for one CLP of credit: Many of you want to receive credit for today's training. You will be glad to know that today's training is worth one CLP. The slide presentation will include the training certificate on Slide 9. Fill, download the training certificate, copy and submit it through regular channels.
- If you listen in groups and you want all attendees to be included on the future mailing list, send email addresses of participants in an excel document to sbalearning@sba.gov.

“SBA 1st Wednesday Virtual Learning 2023”

This Certificate is awarded to

Insert Your Name Here

For completion of

Service-Disabled Veteran Owned Small Business (SDVOSB) Program

This training seminar may be credited towards “Continuous Learning Points” as described in OFPP Policy Letter 05-01. Recommendation of One CLP.



Pamela J. Beavers

Director, Area IV
SBA Office of Government Contracting

8/02/2023

DATE

Today's Speaker

John Perkins

Director Veterans Small Business Certification



U.S. Small Business
Administration

Veteran Small Business Certification Program (VetCert)

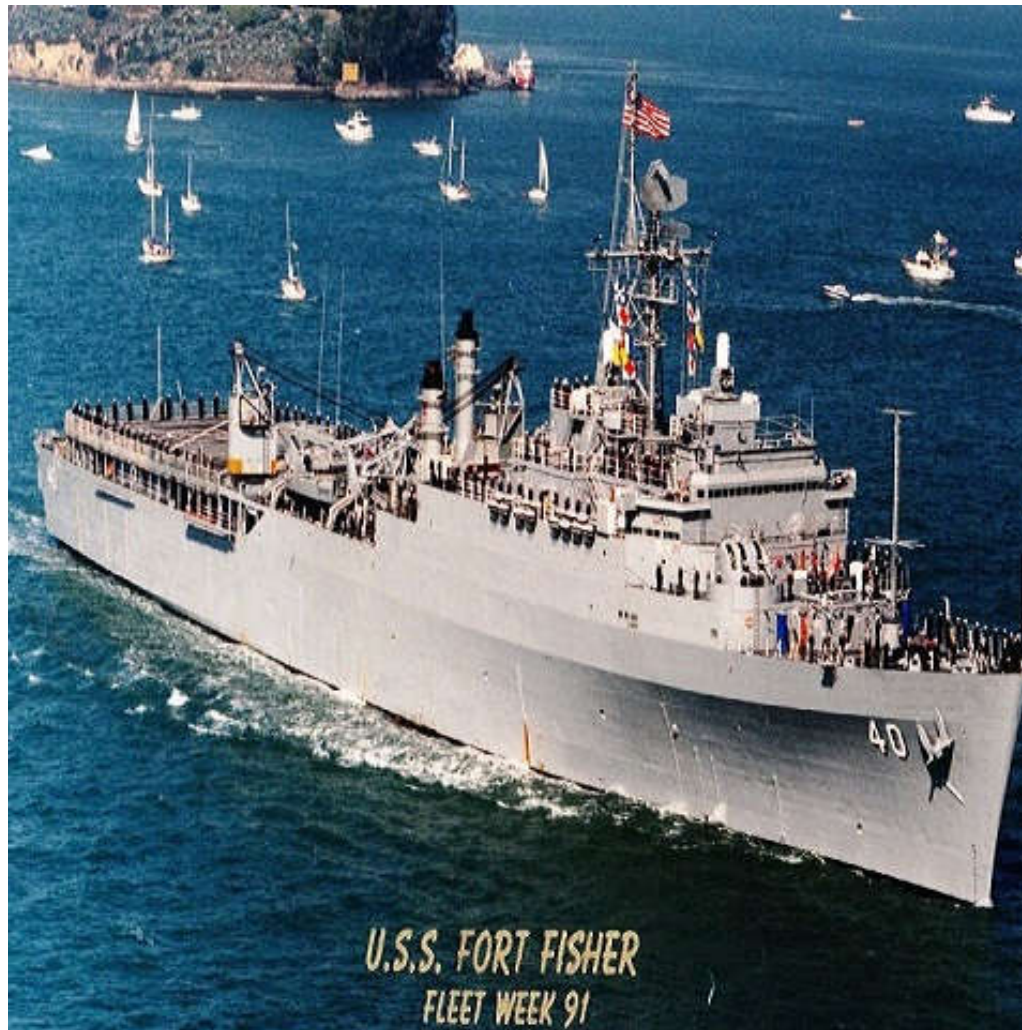
John Perkins

Director Veterans Small Business Certification
Program

sba.gov/vetcert

veterans.certify.sba.gov

But First A Sea Story



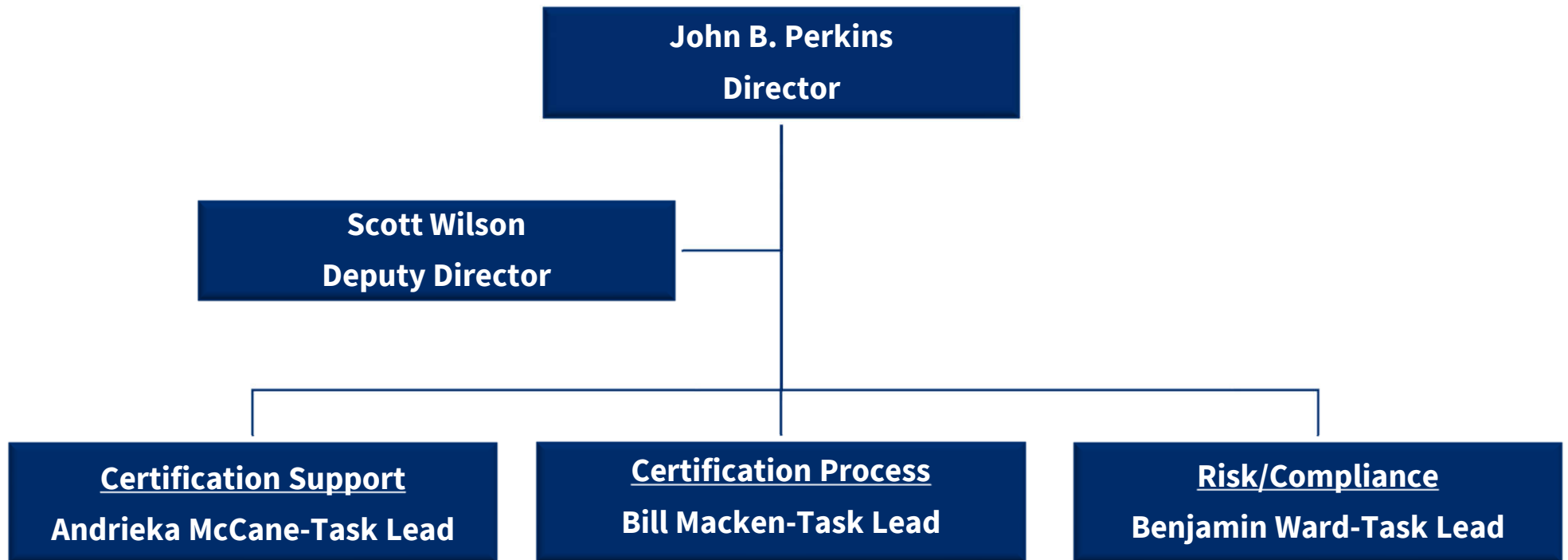
From the Administrator

- **Goal: Increase the VOSB and SDVOSB industrial base**
- **Objectives:**
 - **Simplify** the preparation and submission of certification documentation and data
 - **Streamline** the certification review process without compromising due diligence
 - **Shift** resources and funding from certification activities to training and growth activities
- The program is a top priority for SBA Administrator Isabella Casillas Guzman to ensure that veteran and service-disabled veteran business owners receive their certification and have access to the federal marketplace.

VOSB = Veteran-Owned Small Business

SDVOSB = Service-Disabled Veteran-Owned Small Business

VetCert Team Organizational Chart



Veteran Small Business Certification Program

- The National Defense Authorization Act of 2021 officially requires VA's CVE responsibilities to be transferred to the SBA as of **Jan 1, 2023**, and for the SBA to establish a government-wide certification program.
- The SBA program name for certifying VOSBs and SDVOSBs is the **Veteran Small Business Certification Program, or VetCert.**
- The final rule for the program was published on November 29, 2022, in the [Federal Register](#).
- The program launched to the public and began accepting new applications on January 9, 2023.
 - [Veterans.certify.sba.gov](https://veterans.certify.sba.gov)

Policy Highlights – Key Changes

- **Certification** SDVOSBs need to be certified by the SBA to receive sole-source or set aside contracts from any federal agency
 - SDVOSB government-wide goal is still 3%
 - Agencies can still rely on self-certification for goaling purposes
- **VA Acquisition** VOSBs continue to need to be certified for sole-source and set aside contracts from the VA under its Vets First Authority
 - Other federal agencies do not have a mandate or authority to award contracts to VOSBs
- **VetCert System:** The SBA has both the certification system (for small businesses to apply/reapply) and the search tool (for the public & acquisition professionals)
 - SAM.gov will not accurately reflect SDVOSB/VOSB certification status
- **Joint ventures** do not require certification although the managing partner must be SBA certified and the joint venture must request designation.
- **Reciprocal** The SBA VetCert program provides reciprocal certification for businesses with remaining eligibility in the WOSB and 8a programs.

Policy Highlights – Key Changes (cont.)

- **One Year Extension** - Companies that were verified by the VA Center for Verification and Evaluation (VA CVE) prior to January 1, 2023, have automatically received a 1-year extension to their program term (4 years vs. 3 years)
- **One Year Grace Period** - Companies may self-certify through 2023, but must also submit an application to SBA for a final determination
- **Certification will not be for a specific NAICS code** - SBA's certification process determines that a business is currently small in at least one NAICS code listed in the firm's SAM.gov profile. To avoid restricting a certified VOSB/SDVOSB's ability to expand its operations into new industries, a firm must only qualify under the size standard corresponding to the NAICS code assigned to a specific contract.
- **Final Rule** takes steps to harmonize & simplify definitions of ownership, control, day to day operations, and standard hours across certification programs
- OHA handles appeals & protests
- **Surplus Property Program** is still open to VOSB & SDVOSB businesses
- **Goaling Credit** For now, agencies will continue to receive SDVOSB goaling credit for awards made to self-certified SDVOSB on non-SDVOSB set aside or sole source contracts. The SBA intends to reevaluate self-certification for goaling purposes once this program is launched.

Benefits of SBA Certification

- The SBA provides small businesses the opportunity to access resources such as training, business counseling, access to capital, and more.
- Most resources such as counseling, training, classes, financial readiness assessments, etc., are offered at little to no cost to all small businesses.
- Certification allows firms the opportunity to compete in the federal marketplace and for sole-source and set-aside contracts. Self-certified firms do not qualify for VA contracting opportunities.

Eligibility

To apply for certification as a VOSB or SDVOSB, a firm must meet the following requirements:

- Owners identified by Veteran Affairs as a veteran and or service-disabled veteran
- Be considered a small business as defined by the size standard corresponding to any NAICS code listed in the business's SAM profile (SAM registration required).
- No less than 51 percent of the business owned and controlled by one or more veterans.
- For certification as a SDVOSB, no less than 51 percent owned and controlled by one or more service-disabled veterans. For those veterans who are permanently and totally disabled and unable to manage the daily business operations, the spouse or permanent caregiver qualifies.



Veteran Qualifying Status: The Law.

- Veteran Status means Active Duty as defined by the Veteran Affairs- Veteran Benefits Administration (VA VBA). Law states:

38 U.S.C. § 101(21) provides:

The term “active duty” means—

(A) full-time duty in the Armed Forces, other than active duty for training;

(B) full-time duty (other than for training purposes) as a commissioned officer of the Regular or Reserve Corps of the Public Health Service (i) on or after July 29, 1945, or (ii) before that date under circumstances affording entitlement to “full military benefits” or (iii) at any time, for the purposes of chapter 13 of this title;

- Means Military time that has only training and or Guard and Reserve component time without Active duty time does not qualify for this program.

Transfer of VA Verified Businesses to SBA

- The transfer of VA verification to the SBA requires nothing from the business owner.
- The SBA is accepting all businesses verified by the VA as SBA-certified.
- All documents and data were transferred via data transfer so that those documents reside in the new SBA system.
- Business owners should verify that the email address used to register a VetCert account is the same email address used in their prior CVE verification. If it is different, contact VetCert Customer Service, 1-800-862-8088.



Does the Transfer Affect VA's "Veterans First" Authority?

- There is no effect on VA's Veterans First contracting authority. VA will continue to implement this policy utilizing the SBA's certification program and database for verification purposes as of January 1, 2023.
- There is no government-wide VOSB program, but the VA will retain its unique authority to award set asides and sole source VA contracts to VOSBs.
- VA's database of verified firms will also transfer to the SBA, who will own and maintain the database. VA contracting officers will use the SBA's database to confirm a firm's eligibility when awarding VA SDVOSB or VOSB set aside and sole source contracts.
- For all other agencies, SDVOSBs will need to be certified by the SBA to be eligible for set aside and sole source awards.

How Does a Business Prepare for Application?




Step 1: Determine eligibility.

- The business owner must be a veteran or a service-disabled veteran as established in Title [38 CFR Part 74](#) or [13 CFR Part 128](#).
- Be considered a small business as defined by the size standard corresponding to at least one NAICS code listed in the business's SAM.gov profile.
- No less than 51 percent of the business must be owned and controlled by one or more veterans.
- For certification as a SDVOSB, no less than 51 percent of the business must be owned and controlled by one or more veterans rated as service-disabled by VA.
- For those veterans who are permanently and totally disabled and unable to manage the daily business operations of their business, their business may still qualify for certification as an SDVOSB if their spouse or appointed permanent caregiver is assisting in that management.

Step 2: Ensure registration in SAM.gov. The business MUST be registered in SAM.gov to move forward.

Step 3: Gather required documentation before beginning the application. A [fact sheet](#) listing required documentation is available at [sba.gov/vetcert](https://www.sba.gov/vetcert).

Pre-Assessment Questionnaire

 **my SBA** Veteran Small Business Certification

[Home](#) [Certifications](#) [Messages](#) [brian.mays@dgccommunications.com](#)

Veteran Certification

In Progress

VSBC-14821636707

[Manage...](#)

[Process & Disclosures](#) ✓

[About Your Request](#) ✓

[Pre-Assessment](#)

[Business Eligibility](#)

[Veteran Eligibility](#)

[Business Owners](#)

[About Your Business](#)

[Business Documents](#)

[Summary](#)

Pre-Assessment

Is at least 51% of the business directly owned by Veteran(s)? * [?](#)

Yes

No

Is the applying business registered in the Federal System for Award Management (SAM)? * [?](#)

Yes, I have a Unique Entity Identifier (UEI) and I've made sure the Small Business is publicly viewable.

No

Yes, but I have not yet received a UEI or CAGE code

What best describes why you would like to certify your business? * [?](#)

This information is optional and does not impact your application. You can select more than one:

To compete for Federal contracts set-aside for SDVOSB/VOSBs.

To compete for State contracts set-aside for SDVOSB/VOSBs.

To obtain surplus personal property no longer required by the Federal Government (Federal Surplus Personal Property Donation Program).

To demonstrate to the public and business community that we are officially certified as a Veteran-Owned Small Business. At this time, I do not intend to pursue Federal or State contracts in the next three years.

Others

I do not wish to disclose this information.

At least one must be selected

[Previous Step](#) [Save](#) [Save and Continue](#)

Application Guide

Our team is ready to assist you.

[Send a Message](#)

Make sure your business is up to date on [SAM.gov](#)

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[answerdesk@sba.gov](#) 555-555-5555

[Need Help?](#)



Documents by Business Type

- Sole Proprietorship
 - One of:
 - IRS SS4 TIN issuance letter with correct name and EIN
 - Fictitious Name Certificate or Certificate of Trade Name
 - Copy of most recent Schedule C
- Partnership
 - Partnership Agreement, including all amendments
 - Documents filed with state of formation establishing partnership with proof of filing creation
 - Minutes demonstrating or establishing the current operating practices. When signed and dated, these legally serve as evidence of important actions such as:
 - Election or appointments of officers
 - Adoption/implementation of bylaws or operating agreements
 - Business decisions
 - Voting

Documents by Business Type

- LLC
 - Copy of filed Articles of Organization, or equivalent, including all amendments
 - Copy of Certificate, or equivalent, showing filing
 - Operating Agreement, including all amendments
 - Minutes demonstrating or establishing the current operating practices. When signed and dated, these legally serve as evidence of important actions such as:
 - Election or appointments of officers
 - Adoption/implementation of bylaws or operating agreements
 - Business decisions
 - Voting
- Corporation
 - Copy of filed Articles of Incorporation, or equivalent, including all amendments
 - By-laws: All corporate by-laws and all amendments, signed and dated as of their effective date
 - Certificate, or equivalent, showing corporation's creation
 - Shareholders Agreements, including all amendments
 - Minutes demonstrating or establishing the current operating practices. When signed and dated, these legally serve as evidence of important actions such as:
 - Election or appointments of officers
 - Adoption/implementation of bylaws or operating agreements
 - Business decisions
 - Voting
 - Copy of the most recent Stock Ledger adopted in the minutes or by resolution.

Ownership – Additional Details

- Dividends & Distributions (13 CFR 128.202(g))– Qualifying veteran must be **entitled** to receive:
 - 51%+ of annual distribution of profits and the qualifying veteran *ability* to share in the profits of the concern must be commensurate with the extent of his/her ownership interest
 - 100 percent of the value of each share of stock if interest is sold
 - 51%+ of the retained earnings of the company and 100 percent of the unencumbered value of each share of stock/interest in the event of dissolution
- Community property (13 CFR 128.202(h)) – calculated without regard to community property
- Surviving spouse (13 CFR 128.202(i)) - qualifies if he/she acquires interest of the deceased service-disabled veteran
 - Terminates if surviving spouse remarries or relinquishes ownership
 - Terminates after 10 years if death was due to service-connected disability
 - Terminates after 3 years if death was not resultant of service-connected disability

Ownership – Business Types

- Partnership (13 CFR 128.202(c))
 - 51% of aggregate voting interest must be unconditionally owned by qualifying veteran
- LLC (13 CFR 128.202(d))
 - 51% of each class of member interest must be unconditionally owned by qualifying veteran
- Corporation (13 CFR 128.202(e))
 - 51% of aggregate of all stock outstanding and 51% of each class of voting stock must be held by qualifying veteran
 - For publicly-owned business, there's an exception about ESOP ownership

Control

- General (128.203(a))
 - Management & daily operations
 - Long-term decision-making and day-to-day operations
- Managerial position and experience (128.203(b))
 - Highest Officer position as defined in business governing docs
 - Managerial experience of the “extent and complexity needed to control the concern”
 - *Not* technical expertise or directly holding professional licensing – must have ultimate managerial and supervisory control over those who do, though
- Control over a Partnership (128.203(c))
 - Veteran must have role as general partner(s)
- Control over an LLC (128.203(d))
 - Veteran must have role as managing member(s)

Control

- Outside obligations (128.203(i))
 - Highest officer may not have outside obligations that prevent veteran from devoting time and attention to the concern to control its daily operations and management
 - Generally must devote full-time during business's normal hours of operations, but as long as veteran has **ultimate managerial and supervisory control over day to day management and long term decision making** this can be deemed as control Provided:
 - If fewer hours are given to the concern, SBA assumes lack of control but veteran can provide information demonstrating control
- Exception for extraordinary circumstances (128.203(j))
 - No finding of lack of control if unanimous consent is required to:
 - Add new equity stakeholder
 - Dissolve the company
 - Sell the company or all the assets of the company
 - Merge the company with another
 - Declare bankruptcy
- Exception for Active Duty (128.203(k))
 - If reservist is called to duty, other individual must be appointed & docs provided to SBA

Control – Corporations (128.203(e))

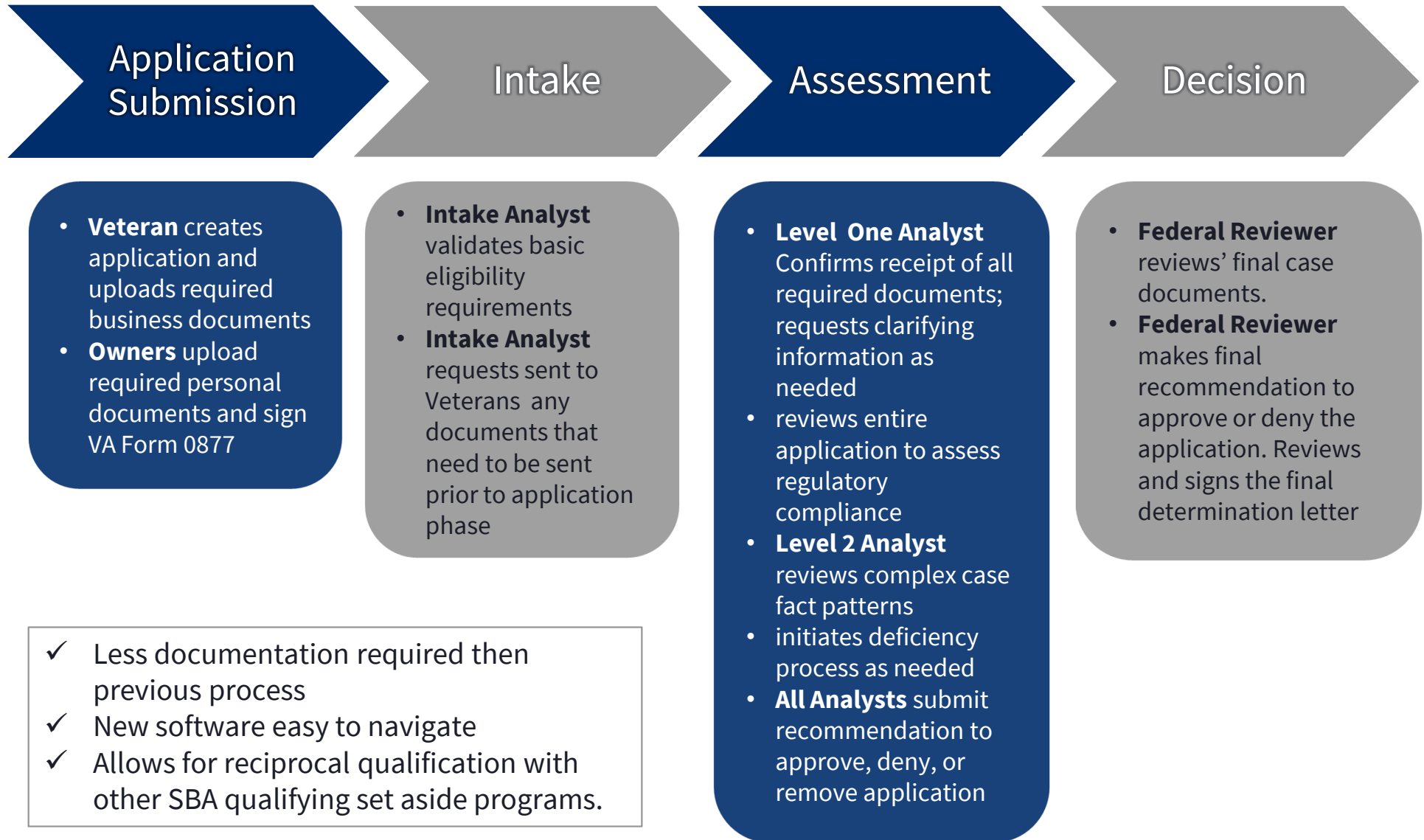
- Must control Board of Directors – examples:
 - 100% of all voting stock held by veteran & veteran is on BOD
 - 51% of voting stock held by a veteran & veteran is on BOD – no supermajority which cannot be overcome by veteran owner
 - Two or more veterans together own 51% or more; each is on BOD, and the qualifying veteran(s) have enforceable agreements to permit one of the qualifying veterans to vote as a block without a shareholder meeting
 - If a supermajority requirement, the percentage must exceed that threshold
- If none of the above are the case, veterans must control the BOD through actual numbers of voting directors or through weighted voting
 - Quorum requirements cannot yield circumstance of negative control where non-veteran owners can prevent corporate action by not showing up
 - Executive committees with action authority must be controlled by veterans
 - Nonvoting or advisory directors do not impact control

Non-Veteran Control

Elements that Lead to Potential Non-Compliance

- A non-qualifying-Veteran may not:
 - Exercise actual control or have the power to control the business
 - Have a business relationship with the qualifying Veteran that causes undue influence or limits the Veteran's ability to independently run the business
 - Control the business through loan arrangements
 - Provide critical financial support or a critical license that allows the non-qualifying-Veteran to influence business decisions
- The following scenarios require the Veteran to provide additional explanation and may lead to a finding of non-Veteran control:
 - Non-Veteran is a former or current employer of the qualifying Veteran
 - Non-Veteran receives higher compensation than the qualifying Veteran
- Examples of red flags for the above:
 - Shared resources (equipment, personnel, etc.)
 - Co-location
 - Non-Veteran provides bonding or critical license
 - Non-Veteran has all of the industry-related experience, education, and expertise
 - Evidence of exclusive "pass-through" arrangements beyond allowable standards
- **Note:** VetCert certifies regulatory compliance; we do not investigate fraud
- VA cemetery contract example....

SBA Certification Process Flow



SBA's Veteran Small Business Certification Program

Landing Page to Login or Register a New Account

Veterans.certify.sba.gov



U.S. Small Business Administration

Veteran Small Business Certification (VetCert)

Veteran-owned small businesses can use this application to be certified by SBA to compete for federal contracts. Certified veteran-owned small businesses (VOSBs) will have the opportunity to pursue sole-source and set-aside contracts at the Department of Veterans Affairs under the VA's Vets First program. Certified service-disabled veteran-owned small businesses (SDVOSBs) will have the opportunity to compete for federal sole-source and set-aside contracts across the federal government.


[Register](#)

[Sign In](#)

Search for a Certified Veteran Small Business

Search By Business Name |

Search for a Certified Veteran Small Business

Search By Business Name | 

Search Veteran Certifications

- Business Name
- SAM.gov UEI
- DUNS Number
- State/Territory
- NAICS Code

Certification Eligibility



Have at least 51% veteran ownership



Registered as a small business with SAM.gov

[Search Sam.gov](#)



Be a small business according to SBA's size standards

[View Size Standards](#)

VetCert Search

Our goal is to ensure contracting officers have positive and reliable access to certification data so they can confirm a business's veteran status.

Current State

- Contracting officers and the public can visit the VetCert homepage and look up any business: [Veteran Small Business Certification \(sba.gov\)](https://www.sba.gov/vetcert)
- Currently can search by the business name, SAM.gov UEI, DUNS, State or Territory, and NAICS code.
- The team has received feedback that additional search filters and the ability to download/export information is key to contracting officer needs.

Future State

- All VetCert data will be available to search in SBA's Dynamic Small Business Search (DSBS): [SBA - Dynamic Small Business Search](https://www.sba.gov/dsbs)
- DSBS will provide a consistent user experience for advanced searching and download across all SBA small business certifications
- Simple searches will still be supported in the VetCert search.

For More Information

- Visit SBA's website: www.sba.gov/vetcert
- Email vetcert@sba.gov
- Contact the dedicated toll-free call center: **800-862-8088**
 - Monday -Friday, 8 a.m. – 6 p.m. ET
 - Excludes federal holidays
- Visit the [Frequently Asked Questions](#) on the VetCert platform
 - Veterans.certify.sba.gov