

8(a) Business Development Program Interim Business Process – Guidance to Submitting an 8(a) Application

Purpose:

On August 24, 2016, the U.S. Small Business Administration (SBA)'s 8(a) Business Development (BD) Program updated Title 13 of the Code of Federal Regulations (C.F.R.) Part 124. These changes included the requirement that all 8(a) applications along with supporting documentation must now be filed electronically. As a result, the 8(a) BD program is establishing an interim business process for 8(a) Applicant Firms to meet this requirement. For electronic filing, we have established a website portal for you to upload your 8(a) application and supporting documentation to the SBA.

Interim Application Process:

Step 1: You will need to complete your 8(a) application in the BDMIS system.

Step 2: You will need to upload the 8(a) application and supporting documentation via <https://Certify.sba.gov/8a-docs>.

Supporting Documentation for 8(a) Application:

Please see Appendix A for the required documents that need to be submitted to the SBA as part of your application for certification in the 8(a) BD Program. Ensure that you have thoroughly reviewed the information and have provided all of the applicable documentation. Please note that SBA may still request additional information from you if it is necessary to make an eligibility determination.

Naming Convention When Saving File and Uploading File:

Each pdf file should be named in the following format as you save it:

FIRM NAME_DUNS NUMBER_TYPE OF FILE.pdf

For example, if you are uploading your 2015 personal Federal tax return, the pdf file should be named:

ABC LLC_123456789_2015 Personal Federal Tax Return.pdf

You will need to upload the following:

- 1. One file that contains the BDMIS application package which includes the executed signature pages.**
- 2. Supporting documentation files; please note that you will need to upload each type of supporting document separately. NOTE - do not load each page separately.**

Important Reminders:

1. Documents requiring signatures and dates should be dated as close to the time of submission as possible.

2. Interim business financial statements should be as recent as possible (i.e., as close to the submission date as possible and preferably no older than 90 days). The net income reported on the income (profit & loss) statement should match that reported on the balance sheet.
3. Economic disadvantage narratives are no longer required. For the economic narrative section in BDMIS, you can simply enter: "Please see SBA Form 413".
4. The information on the SBA Form 413 should be no older than 30 days.
5. Applicants should obtain & review their/the firm's credit reports. If there are any outstanding liens/judgments, they should be resolved before the application is submitted. Applicants should provide a copy of the lien release, cancelled check or bank statement verifying payment, or letter verifying satisfaction of the judgment. Credit reports are not required to be submitted to SBA.
6. Although SBA will exclude the equity in the primary residence, equity in the applicant concern, and the value of all legitimate retirement accounts from the net worth calculation, applicants are still required to report these assets on the personal financial statement (SBA Form 413).
7. If an applicant(s) or the firm filed an extension with the IRS, the SBA still requires three years of individual and business income tax returns. For instance, if the applicant requested an extension for the 2016 tax return, SBA will require tax returns for 2013- 2015.
8. If the individual income tax returns indicate a value on line seven (7), you must provide W-2's matching this value.
9. If the individual income tax returns indicate an amount due to the IRS, you must provide a copy of a cancelled check or bank statement verifying payment of the taxes owed. If an IRS approved installment agreement exists, provide a copy of the agreement and copies of the last three cancelled checks evidencing payment in accordance with the agreement.
10. You are not required to submit every contract/invoice for the previous two years unless specifically requested to do so by the analyst reviewing the application.
11. When determining economic disadvantage, community property laws are not taken into consideration. However, a transmutation agreement, or other such document, may be necessary for the purposes of establishing 51% unconditional ownership of the applicant firm.

APPENDIX A

SUMMARY OF SUPPORTING DOCUMENTATION: 8(a) Applicants must provide the documents requested below. For those documents not provided, please provide an explanation identifying the document and the reason it is not provided.

1. A list of current and past Federal and non-Federal awarded contracts within the last 12 months. Include award date, agency/customer name, NAICS code, a description of work, and dollar value. Please note that you are not required to submit copies of every contract/invoice for the previous two years unless specifically requested to do so by the analyst reviewing the application.
2. Interim or year-end balance sheet and profit and loss statement no older than 90 days from the application date.
3. Copies of the last three years of the Applicant Firm's filed Federal tax returns including all schedules and attachments. If the Applicant Firm filed an extension with the IRS, the SBA still requires three years of individual and business income tax returns. For instance, if the Applicant Firm requested an extension for the 2016 tax return, SBA will require tax returns for 2013-2015.
4. Copies of the last three years of filed Federal tax returns, including all schedules and attachments, for all of the Applicant Firm's acknowledged affiliates. SBA criteria for defining affiliates should be carefully reviewed and can be found at 13 CFR § 121.103. Please note that entity-owned concerns do not need to provide tax returns for parent companies or sister subsidiaries.
5. Copy of the firm's current Certificate of Good Standing (for Corporations and LLCs, if applicable), or similar document, from the state where the applicant firm is incorporated/organized.
6. Copies of all stock certificates (front and back), stock ledgers, registers, any transmutation agreements (for community property states), and any voting agreements.
7. Copies of all business bank account signature cards. In lieu of this, a letter from the bank identifying all individuals with signatory authority on all bank accounts will suffice.
8. Copies of the business and special licenses under which the Applicant Firm operates. This includes industry related licenses. Include the name(s) of the qualifying party/individual.
9. Copies of the Applicant Firm's current loan agreements, including lines of credit and shareholder loan(s). Provide all loan sources, amounts, purposes of money loaned, name(s) of any persons/firms securing the loan and the name(s) of those guaranteeing the loan.
10. Copies of buy/sell agreements, shareholder agreements or other similar arrangements which may impact the unconditional ownership of the disadvantaged individuals.

<p>11. List of all contributions or transfers of assets to/from the Applicant Firm and to/from any of its owners over the past two years. Include dollar value, from whom transferred, to whom transferred, relationship between the parties, date of transfer and copies of any supporting documents and agreements.</p>
<p>12. Copies of all management and joint venture agreements, to include any mentor-protégé agreements, teaming agreements, shared services agreements, indemnity agreements and consulting agreements, including agreements for assistance in completing this 8(a) BD application.</p>
<p>13. Copies of all statements of bonding ability from the Applicant Firm's surety specifying single job limit and aggregate limit, if applicable for the firm's primary industry (construction or engineering).</p>
<p>14. A completed Individual Information Form (SBA Form 1010-IND), SBA Form 912, and all supporting documents required by those forms for each individual owning at least 10% or more of the business and each director, management member, partner and officer. Please note, you can simply enter "Please see SBA Form 413" in place of an economic disadvantage narrative in BDMIS.</p>
<p>15. A completed Personal Financial Statement (SBA Form 413) for all Individual(s) claiming disadvantaged status to qualify the Applicant Firm and for those individuals' spouses. Each form must record the total value of individually owned assets/liabilities. If there are any jointly owned assets/liabilities, then these values should be divided accordingly. Record total values in sections 1-8. The information on the SBA Form 413 should be no older than 30 days.</p>
<p>16. Copies of the last three years filed Individual Federal tax returns including all schedules and attachments for the individual(s) claiming disadvantaged status. If the individual(s) claiming disadvantaged status filed an extension with the IRS, the SBA still requires three years of individual income tax returns. For instance, if the individual requested an extension for the 2016 tax return, SBA will require tax returns for 2013-2015. If the Individual(s) claiming disadvantaged status income tax returns indicate a value on line seven (7), you must provide W-2's matching this value. If the individual income tax returns indicate an amount due to the IRS, you must provide a copy of a cancelled check or bank statement verifying payment of the taxes owed. If an IRS-approved installment agreement exists, provide a copy of the agreement and copies of the last three cancelled checks evidencing payment in accordance with the agreement.</p>
<p>17. Copies of the Applicant Firm's governing documents, as applicable (see below):</p> <p>For Corporations: Articles of Incorporation (original and current version), Bylaws (current version), and the most recent Stockholder and/or Board Member Meeting Minutes showing the election of officers and directors, if applicable.</p> <p>For Limited Liability Companies: Articles of Organization (original and current version), Operating Agreement (current version); resolution or other documentation designating officers, directors, members representative, management committee members, and/or general managers as required by the business concern's governing documents (if not included in the Operating Agreement).</p> <p>For Partnerships: Partnership Agreement.</p>

For Sole Proprietorships: Copies of Fictitious Business Name Filing.

18. Your firm must demonstrate potential for success by demonstrating it has been in business in its primary industry for two years, or you will need to request a waiver of this requirement. If the business concern has not yet generated revenues, you will not be successful obtaining a waiver. For more information about “potential for success”, please see 13 CFR § 124.107. Please note that entity-owned firms have special rules regarding potential for success. See 13 CFR §§ 124.109(c)(6), 124.110(g), and 124.111(f).

Requests for a waiver of the potential for success requirement must address whether the Applicant Firm meets the following criteria:

- The individual or individuals upon whom eligibility is based have substantial business management experience;
- The Applicant Firm has demonstrated technical experience;
- The Applicant Firm has adequate capital to sustain its operations;
- The Applicant Firm has a record of successful performance on contracts from governmental or nongovernmental sources in its primary industry category; and
- The applicant has, or can demonstrate its ability to timely obtain, the personnel, facilities, equipment, and any other requirements needed to perform contracts as a Participant.