

<i>To be completed by Private Certifier or SBA</i>	
Name of Private Certifier _____	Private Certifier ID Number _____
Date Application Received: _____	SDB Case #: _____

Small Disadvantaged Business Certification Application
For Sole Proprietorships

Business Profile:

Name of applicant firm: _____

Name of Sole Proprietor and Title: _____

SSN of Sole Proprietor: _____ E-mail Address: _____

Business Address: _____ County _____

City: _____ State: _____ Zip Code: _____

Phone Number: _____ Fax Number: _____

Mailing Address (if different than above): _____ County _____

City: _____ State: _____ Zip Code: _____

PRO-Net User ID#, if applicable: _____

Is the firm located in a HUBZONE area? ___ Yes ___ No.

What is the firm's 4-digit primary standard industrial classification (SIC) code? _____

Are you certified as a DBE by a Department of Transportation recipient? ___ Yes ___ No. If yes, provide State(s) and ID number(s) _____

Do you have any other certification as a disadvantaged business entity, i.e., MBE, DBE, WBE, etc.? ___ Yes ___ No. If yes, provide State(s) and ID number(s) _____

Is this firm at least 51% owned by a _____ Veteran or _____ Disabled Veteran?

In accordance with 13 CFR §124.1002, designated group members are presumed to be socially and economically disadvantaged. Designated group members are individuals who hold themselves out to be and are identified by others as Black Americans, Native Americans, Hispanic Americans, Subcontinent Asian Americans, and Asian Pacific Americans. If an individual is a member of a designated group, complete Section A of this application. If the individual is not a member of a designated group, complete Section B of this application and specify the basis of the disadvantaged status. All applicants must complete Sections C and D of this application.

SECTION A
Eligibility Statement - Designated Group Members

Social Disadvantage

1. As the proprietor claiming disadvantaged status, complete the following:

Name of Individual	Group Membership	U.S. Citizen Y/N	Other Last Names Used	Place of Birth	Sex M/F
_____	_____	_____	_____	_____	_____

1a. If you are a naturalized Citizen, please provide the following as Attachment 1A:
(a) naturalization number; (b) date of citizenship; and, (c) county, state and court.

Economic Disadvantage

2. Have you, the individual claiming disadvantaged status, transferred any assets within two years, in full or in part, to a spouse or any other person or entity, including a trust? ___Yes ___ No. If yes, provide the following information as Attachment 2A: the date of transfer; to whom the assets were transferred; amount paid for the assets; and the market value of the assets at the time of transfer. **Individuals may exclude assets transferred to an immediate family member that are consistent with the customary recognition of special occasions, such as birthdays, graduations, anniversaries and retirements. Individuals may also exclude any transfers to an immediate family if for educational, medical or essential support purposes.**
3. As the proprietor claiming disadvantaged status, list your personal net worth, excluding the equity in your primary residence and ownership in the applicant firm.

I certify that my net worth is less than \$750,000, excluding my ownership interest in the applicant firm and my equity in the primary residence.

Personal Net Worth

Signature

SECTION B
Eligibility Statement - Non Designated Group Members

1. As the proprietor claiming disadvantaged status, complete the following:

Name of Individual	U.S. Citizen Y/N	Race	Sex M/F
_____	_____	_____	_____

1a. If you are a naturalized Citizen, please provide the following as Attachment 1B:
(a) naturalization number; (b) date of citizenship; and, (c) county, state and court.

For this section, any individual claiming social and economic disadvantage must provide a separate response.

Social Disadvantage

2. I, _____ have personally suffered social disadvantage based on my identification as _____.
(A claim of social disadvantage must include at least one objective feature that has contributed to social disadvantage, such as race, ethnic origin, gender, physical handicap, long-term residence in an environment isolated from the mainstream of American society, or other similar causes not common to individuals who are not socially disadvantaged).
3. **Attach a narrative describing how you personally experienced social disadvantage in American society.** When writing your narrative, be as specific and detailed as possible. Where applicable, each statement of alleged discrimination should be supported by documented evidence such as affidavits, denials of loan applications, denials of employment opportunities (including non-selection for particular jobs, denials of promotions, or unequal work environment or treatment) , and documents to support any formal action taken by you because of alleged discrimination. You must demonstrate how your identification, as described in the paragraph above, has negatively impacted on your entry into or advancement in the business. You must address disadvantage in education, employment, and business history, where applicable. Examples of discrimination include, but are not limited to: unequal access to colleges or professional schools; exclusion from professional or business associations; being denied educational honors or recognition; experiencing discriminatory social pressure which discouraged you from pursuing a professional or higher education or forced you into non-professional or non-business fields; discrimination in employment opportunities or pay and fringe benefits; unequal access to business credit or capital; and discrimination in the awarding, bidding process, or negotiating of government or private sector contracts.

**SECTION B (cont'd.)
Economic Disadvantage**

4. I, _____, certify that because of racial and/or ethnic prejudice, and/or cultural bias, my ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged.

5. Document how your ability to compete in the free enterprise system has been impaired by such things as inability to obtain adequate bonding, credit or financing; inability to obtain licenses or leases; restrictions of your markets to certain racial, ethnic or social groups; underemployment or unemployment, etc., as compared to others in the same or similar line of business who are not socially disadvantaged. Provide as Attachment 5B.

6. As the individual claiming, list your personal net worth, excluding the ownership interest in the applicant firm and the equity in the primary residence.

Name	Average 2 - year Income	Personal Net Worth	Total Assets
_____	_____	_____	_____

7. Have you transferred any assets within two years, in full or in part, to a spouse or any other person or entity, including a trust? ___Yes ___No. If yes, provide the following information as Attachment 7B: the date of transfer; to whom the assets were transferred; amount paid for the assets; and the market value of the assets at the time of transfer. **Individuals may exclude assets transferred to an immediate family member that are consistent with the customary recognition of special occasions, such as birthdays, graduations, anniversaries and retirements. Individuals may also exclude any transfers to an immediate family if for educational, medical or essential support purposes.**

SECTION C
Ownership

1. Are you a married disadvantaged owner whose spouse is not claiming disadvantaged status that resides in a community property state? ___ Yes ___ No. If yes, complete the following chart and provide evidence of a transfer or relinquishment of interest that would give your spouse claiming disadvantaged status majority interest as Attachment 1C:

Name of Disadvantaged Owner	State	% Transferred
_____	_____	_____

SECTION D
Control

1. Have there been any changes in ownership in the last year? ___ Yes ___ No. If yes, did ownership affect the disadvantaged status of your firm? Please explain as Attachment 1D.
2. Does any individual other than the Sole Proprietor manage or conduct daily business operations of the applicant concern? If yes, provide name, title and dates.

Name and Title	Date
_____	_____
_____	_____

3. Are you engaged in or plan to engage in outside employment? ___ Yes ___ No. If yes, explain as Attachment 3D.
4. If the answer to question 2 is yes, have any of the non-disadvantaged individuals involved in the management of the applicant firm, or their immediate family members, had a prior business relationship with you? This includes such relationships as employer-employee, supervisor-employee, co-workers, investor-employee, etc. ___ Yes ___ No ___ N/A. If yes, identify the person(s) and the type of business relationship as Attachment 4D.
5. List the total compensation from the applicant firm of all owners and/or key managers of the firm. (If necessary, provide additional information as Attachment 5D).

Name/Title	Compensation from applicant firm (includes salaries, bonuses, etc.)
_____	_____
_____	_____

6. Does the applicant firm operate in an industry which requires bonding or professional licenses?
___ Yes ___ No. If yes, identify the qualifying individual(s) for the critical licenses, general indemnity agreement, permits, certifications, and bonding required to operate the applicant firm on Attachment 6D.

7. List the names of all individuals who have access to the firm's bank account.

Name	Title
_____	_____
_____	_____

8. Does any individual(s), (other than the Sole Proprietor) or entities provide:

- (a) Financial support to the applicant firm? ___ Yes___ No
- (b) Subcontracts, Joint Ventures or Teaming Arrangements? ___ Yes___ No
- (c) Office space (rent or leased). ___ Yes___ No
- (d) Equipment (rent or leased) ___ Yes___ No
- (e) Employees (other than from employment agencies). ___ Yes___ No

If you answered yes to any of the above, please provide specific details (i.e., names, titles, copies of agreements, leases, etc.) of such arrangements as Attachment 8D.

Each person signing below:

1. Certifies that the information he or she provided, including that shown on documents accompanying this application, is true, accurate and complete to the best of his or her knowledge and belief.
2. Acknowledges that SBA, at its discretion, may give the information submitted to Federal, state and local agencies for determining violations of law.
3. Acknowledges that SBA's or a Private Certifier's approval of an application does not affect the Government's right to pursue criminal prosecution for incorrect or incomplete information given on the application form, even if correct information has been included in other materials submitted to SBA or a Private Certifier

Individual Eligibility Certification

As the sole proprietor claiming disadvantaged status, you must sign the certification below:

I certify that I am socially and economically disadvantaged in accordance with the requirements found under Title 13 Code of Federal Regulations (CFR), Part 124. If claiming individual disadvantage, I certify that the information provided in my narrative describing my personal experiences is true, accurate and complete to the best of my knowledge and belief.

Name

SSN

Date

Business Eligibility Certification

To be eligible for SDB certification, a firm must be a small business which is at least 51% owned and controlled by one or more socially and economically disadvantaged individuals who manage the daily operations of the applicant firm and are citizens of the United States. Signing below indicates that the firm meets the above requirements.

Signature of Proprietor: _____ Date: _____

Under Title 18 U.S.C. Section 1001 and Title 15 U.S.C. Section 645, any person who misrepresents a firm's status as a Small Disadvantaged Business Concern, or makes any other false statement in order to influence the certification process in any way, or to obtain a contract awarded under the preference programs established pursuant to section 8(a), 8(d), 9, or 15 of the Small Business Act, or any other provision of Federal Law that references Section 8(a) for a definition of program eligibility shall be:

1. Subject to fines and imprisonment of up to 5 years, or both, as stated in Title 18 U.S.C. Section 1001; and subject to fines of up to \$500,000 and imprisonment of up to 10 years, or both, as stated in Title 15 U.S.C. Section 645.
2. Subject to civil and administrative remedies, including suspension and debarment.
3. Ineligible for participation in programs conducted under the authority of the Small Business Act.

PLEASE NOTE: The estimated burden hours for the completion of this form is 3 hours per response. You will not be required to respond to this information collection if a valid OMB approval number is not displayed. If you have questions or comments concerning this estimate or other aspect of this information collection, please contact the U.S. Small Business Administration, Chief, Administration Information Branch, Washington, D.C. 20416 and/or Office of Management and Budget, Clearance Officer, Paperwork Reduction Project (3245-0317), Washington, DC 20503.

SDB APPLICATION INSTRUCTIONS AND TIPS

Instructions

1. Only small firms that have been found to be owned and controlled by socially and economically disadvantaged individuals and appear on the U.S. Small Business Administration (SBA)-maintained list of qualified Small Disadvantaged Businesses (SDBs) are eligible to participate in Federal SDB set-aside, price evaluation adjustment, evaluation factor of sub-factor, or monetary subcontracting incentive programs, or SBA's section 8(d) subcontracting program.
2. Applications for SDB certification are available at any SBA district office or Private Certifier.
3. Individuals who *are* members of a designated group* need to fill out Section A of this application. Individuals claiming social and economic disadvantaged individuals who *are not* members of a designated group must fill out Section B of SBA Form 2065. All applicant concerns must fill out both Sections C & D of this application. Complete all questions. If a question is not applicable respond with "n/a."
4. SBA Form 2065 has an application for each different business structure (i.e., corporations, partnerships, etc.). Please ensure that the appropriate application is submitted.
5. Additional supporting documents are also required. Please refer to the *SDB Certification Checklist* for a complete list and description of required documents. Incomplete applications cannot be processed and will be returned to the applicant.
6. Completed applications should be sent to the Private Certifier.

*In the absence of evidence to the contrary, the following individuals are presumed to be socially disadvantaged: Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans and Subcontinent Asian Americans.

Helpful Hints:

1. **Submit a Complete Application Package.** Fill out the entire application and send all requested documentation. Carefully read and follow all of the application notes and instructions especially the SDB Certification Checklist.

A Complete Application Package Consist of the Following Forms:

SBA Form 2065 (Application); SBA Form 355 (Size Determination Document); SBA Form 413 (Personal Financial Statement) [**Complete a separate form for your spouse**]; IRS Form 4506 (Tax Transcript).

And additional required information outlined in the SDB Certification Checklist, i.e., personal tax documents with all schedules, history of business statement, banking account signature information, lease and the like.

2. **Sign and Date All Documents.** Check that all sections and documents are signed and dated, as required.
3. **Net Worth Calculation.** The net worth of the individual(s) claiming disadvantaged status should be calculated by excluding that individual's interest in the applicant business and his or her equity in the primary residence from the assets; the liabilities are then subtracted from the assets.

$$\text{Assets} - \text{Liabilities} - \text{Exclusions} = \text{Net Worth}$$

4. **U.S. Citizenship.** Each individual claiming disadvantaged status must be a citizen of the United States, born or naturalized.
5. **Size.** A firm requesting SDB status must qualify as small, per Title 13 Code of Federal Regulations (C.F.R.) Part 121, for the size standard corresponding to the firm's primary four digit Standard Industrial Classification (SIC) Code. The primary SIC code should represent the largest portion of sales from the recently completed fiscal year.
6. **SDB Regulations.** The regulations governing the SDB program (primarily 13 C.F.R. Parts 121 and 124) are located on the SBA Home Page on the Internet (**<http://www.sba.gov/>**).
7. Additional required information is outlined in the SDB Certification Checklist. However, for each business type, specific sections of the SDB Checklist **must** be completed. For example:

Sole Proprietorship Application – Complete Section I of the SDB Certification Checklist.
Partnerships – Complete Sections I & II.
Corporation – Complete Sections I & III.
Limited Liability Company – Complete Sections I & IV.
For further information, call 1-800-558-0884.

(7/28/99)