

Certification of Veteran Owned Small Businesses Why? How?

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New Hampshire Department of
**BUSINESS AND
ECONOMIC AFFAIRS**

New Hampshire Procurement Technical Assistance Center

www.nheconomy.com/sell-to-the-government



Introduction and Participant Guide

- NH PTAC –
- Stuff to know before we start
 - Muting
 - Chat function
 - Slides will be posted at www.NHEconomy.com/ptac under Training Presentations
 - Session is being recorded
 - We will post the recording as soon as we're able



What to Expect from Today's Webinar

- **Imminent Transition VA Verification VOSB and SDVOSB to SBA**
 - Veteran Owned Small Business (VOSB)
 - Service-Disabled Veteran Owner Small Business (SDVOSB)
- VA's Benefits for VOSB & SDVOSB
- Eligibility Requirements and Rebuttable Presumptions
- Applying for Verification
 - VETBIZ Portal and Vendor Information Pages (VIP) **Until 10/24/22; SBA to pick up 1/1/23**



VOSB/SDVOSB Programs 101

- The Small Business Administration (SBA) and Department of Veterans Affairs (VA) each have “programs” for Veteran Owned Small Businesses (VOSB) and Service-Disabled Veteran Owned Small Businesses (SDVOSB) which related to Federal Contracting.
 - **However - The 2021 NDAA transfered Government-wide SDVOSB Certification program responsibility to SBA. This process is set to begin January 1,2023**
- Eligibility Requirements are unchanged and were consolidated in October 2018 under 13 CFR Part 125



VOSB/SDVOSB Programs 101

➤ SBA

- For SBA, identified as Service-Disabled Veteran-Owned (SDVO) Small Business Concern (SBC) Program
- Applies to contracts with most agencies except the Department of Veteran Affairs*
- Self-certification in SAM (System for Award Management) registration based on specifications in CFR 13, Section 125.13
- No preference over other socio-economic groups
- Eligibility determined on date of bid offer

➤ VA

- Verification by the VA Center for Veterans Enterprise (CVE) in Office of Small and Disadvantaged Business Utilization
- Applies only to VA contracts (or FAA)
- Veterans Preference for VOSB and SDVOSB
- Eligibility determined on date of bid and date of award



Key Components of Transfer to SBA

- ▶ Transition will occur on January 1, 2023. *Expect a bumpy ride.*
- ▶ Current **self-certifications** will be grandfathered for a 1-year “grace period” past the official transfer date.
- ▶ Once the grace period ends (January 2024), **certification will be required for all SDVOSB set-asides and sole source contracts, government-wide**

VA CVE Certification Benefits

- ▶ Sole source contracts:
 - ▶ Up to \$5 million (VA)
 - ▶ Up to \$6.5 million in manufacturing and \$4 million in other industries (SBA)
- ▶ Requires determination that agency unlikely to receive offers from two or more SDVOSBs
- ▶ Set-Asides
 - ▶ VA **MUST** set aside for SDVOSB before all other socioeconomic categories (“Kingdomware”)
- ▶ Although not required for Non-VA contracts now, many entities seek verification for marketing purposes
 - ▶ Subcontracting opportunities to meet primes’ subcontracting goals
 - ▶ May increase chance of “landing” qualified mentor under SBA All Small Mentor-Protégé Program



VA CVE Eligibility Overview

- Small business in Primary NAICS code
- Veteran Status and Disability Status
- Ownership by Veteran(s) (and in some circumstances the surviving spouse or permanent caregiver)
- Management and daily operations controlled by Veteran(s)
- “Good Character”
 - Ineligible if knowingly submit false information, and/or
 - failed to pay significant financial obligations, to include taxes and loans

Eligibility - Veteran Status

- *Veteran has the meaning provided in 38 U.S.C. 101(2).*
- A **Veteran** is a person who served on active duty with the Army, Air Force, Navy, Marine Corps, or Coast Guard for any length of time and who was discharged or released under conditions other than dishonorable. Reservists or members of the National Guard called to federal active duty or disabled from a disease or injury incurred or aggravated in the line of duty or while in training status also qualify as Veterans.
- A **Service-disabled Veteran** is a Veteran who possesses either a disability rating letter issued by VA establishing a Service-connected rating between 0 and 100 percent, or a disability determination from the Department of Defense.






Important Definitions: Veteran Status

- *Service-connected* has the meaning given that term in 38 U.S.C. 101(16). The term “service-connected” means, with respect to disability or death, that such disability was incurred or aggravated, or that the death resulted from a disability incurred or aggravated, in line of duty in the active military, naval, air or space service.
- *Service-disabled veteran* is a veteran who possesses either a valid disability rating letter issued by the Department of Veterans Affairs, establishing a service-connected rating **between 0 and 100 percent**, or a valid disability determination from the Department of Defense or is registered in the Beneficiary Identification and Records Locator Subsystem (BIRLS) maintained by Department of Veterans Affairs' Veterans Benefits Administration as a service-disabled veteran.




Eligibility - Ownership

- ▶ *In accordance with 13 CFR 125.11 and 13 CFR 125.12* Veteran(s) **must own a minimum of 51%** of the business, and;
- ▶ Ownership must be **direct**
 - ▶ Limited exception for certain trusts
- ▶ Ownership must be **unconditional**
- ▶ Veteran(s) must be **entitled to**
 - ▶ at least 51% annual distribution profits,
 - ▶ Profits commensurate with ownership percentage
 - ▶ at least 51% of retained earnings and 100% of unencumbered value of ownership in event of dissolution



Eligibility - Control

- ▶ Veteran(s) must control all long-term decision making
 - ▶ Veteran(s) must control all day-to-day management and administration of business operations
 - ▶ Must hold highest officer position within company (i.e. CEO, President, Managing Member)
 - ▶ Must possess appropriate managerial experience to extent and complexity necessary to run concern.
- 



Eligibility - Control cont.

- ▶ Veterans must be able to overcome all super majority and unanimity voting requirements except in the following five, and only five, circumstances:
 - ▶ Bankruptcy
 - ▶ Dissolution
 - ▶ Sale
 - ▶ Merger
 - ▶ Adding a new equity stakeholder

Rebuttable Presumptions

- **13 CFR 125.13(i)** provides for a rebuttable presumption that non-service-disabled veteran individuals or entities control or have the power to control a firm in certain circumstances



Certification
Process



Close Proximity



Dependency on
Non-Veterans



Veteran Outside
Fed Employment



Normal Business
Hours



Financial
Obligations

Applying for Verification

- ▶ Verification is performed 100% online: <https://www.vetbiz.va.gov/>
- ▶ All owners (or members) need to access the system
 - ▶ obtain a DS Logon account (Veterans only) or ID.me account
 - ▶ Upload own resume
 - ▶ Upload individual taxes (if applicable – some exceptions exist)
 - ▶ Sign 0877 (Each Business Owner/Stockholder/Surviving Spouse)
- ▶ Required documentation list
 - ▶ [Required Documents For Verification · VetBiz Portal \(va.gov\)](#)
- ▶ Specified for each business structure – Sole Proprietorship, LLC, Partnership and Corporation - ensure select proper option in dropdown

The VA Certification Process

- ▶ Upon logging into the VetBiz Portal – should look similar to this:

Welcome to the new and improved VetBiz portal and Vendor Information Pages (VIP)! If you are a returning VIP user, your dashboard has moved. Business owners and representatives can now access their dashboard under the "Vendor Information Pages" menu, while contracting officers can access theirs under the "Acquisition Officials" menu via the "Enhanced Vendor Profile" link.

VETBIZ VA.GOV An official website of the United States Government | Here's how you know

VA U.S. Department of Veterans Affairs Office of Small and Disadvantaged Business Utilization Search Veterans Crisis Line 1-800-273-8255 PRESS LOGIN

Vendor Information Pages - | Acquisition Officials - | Events - | Services - | Forecast of Opportunities | Help -

VIP Home

Verification Pre-Qualification Quiz
Does Your Business Qualify?
TAKE QUIZ

Business Announcements

[Reverification Process for Eligible Businesses](#)
[New Vendor Information Pages \(VIP\) Access \(DS Login and ID.Me\)](#)
[Resources, Education, and Training Opportunities](#)

Getting Started

Find out what you need to get started with our verification process
HELP

or this....

Welcome to the new and improved VetBiz portal and Vendor Information Pages (VIP)! If you are a returning VIP user, your dashboard has moved. Business owners and representatives can now access their dashboard under the "Vendor Information Pages" menu, while contracting officers can access theirs under the "Acquisition Officials" menu via the "Enhanced Vendor Profile" link.

COVID-19 UPDATES

To get answers to questions you have about coronavirus and how VA is responding, visit our [Coronavirus FAQs page](#) or read [VA's public health response](#).

For the latest information about coronavirus, visit the [Centers for Disease Control \(CDC\)](#).

[VIEW LATEST UPDATES](#)

VetBIZ.va.gov An official website of the United States Government | Here's how you know

VA U.S. Department of Veterans Affairs Office of Small and Disadvantaged Business Utilization Search Larry Findeiss

Vendor Information Pages | Acquisition Officials | Events | Services | Forecast of Opportunities | Help

Vendor Information Pages

[VISIT](#)

Are you a SDVOSB or VOSB seeking acquisitions in the Veterans First Contracting Program? Click here to Get Verified

Acquisition Officials

[VISIT](#)

Are you an Acquisition Official conducting Market Research? Click here to start

Events Home

[VISIT](#)

Are you seeking the opportunity to build acquisition partnerships, maximize networking and gain access to procurement decision makers? Click here to connect

Women Veteran Owned Small Business Initiative

[VISIT](#)

WVOSBI mission is to equip, empower and educate Women Veteran entrepreneurs for success and economic opportunities. Click here to learn more.

VERIFIED BUSINESSES STATS

12179	3098	15277
SDVOSB	VOSB	TOTAL

VIP HOME

- When Logged In, Applicant name appears in upper right, and includes applicant profile information
- Can Take Pre-Qualification Quiz: “Does Your Business Qualify?”
- Review Available Announcements and Find Resources
- Review “Getting Started” HELP – VERY Useful links

We provide several points of contact for support.
Please use the links on the right side to access the information you need.

OSDBU Help Desk: (866) 584-2344

Monday - Friday 8:00am to 6:00pm (Eastern)

OSDBU Help Desk Email: vip@va.gov

Status Updates: verificationfollowup@va.gov

Create Ticket

Ticket History

Knowledge Base

Required Documents

VAC

- Verification Program Webinars and Town Halls – Frequent
- Vendor Information Pages (VIP) Database – all Certified Firms



Vendor Information Pages - Tab

- Owner/Rep Dashboard – Lists one or more business if common Owner
 - Business Information Tab
 - Task List – Assigned by CVE during the process
 - Messages – Communications from Reviewers
 - Archive – Consolidation of ALL documents uploaded
- Pre-Qualification Quiz – Same as Home page
- **Apply for Verification – Finally!**



VA CVE Portal

- ▶ Each section identifies documents CVE requires
 - ▶ Should you not have a document, must include a Detailed Letter of Explanation (DLOE)
 - ▶ Consult with PTAC counselor for assistance
- ▶ Must complete all sections, have all owners sign 0877, and upload resumes (and applicable taxes) to be allowed to submit application. System will provide list of outstanding items.
- ▶ After submission will be assigned a Case Analyst
 - ▶ Develop relationship!



Tips

- ▶ Ensure SAM Registration up to date. VIP will pull NAICS Codes from SAM upon initial registration.
 - ▶ System allows removal of codes, but not additions.
- ▶ When reviewing documents VA is primarily concerned with the Veteran being in control.
 - ▶ Contracts: VA wants to see Veteran Owner signed
 - ▶ Dependency upon non-veterans is “red flag”
 - ▶ Sharing of employees
 - ▶ Critical license held by non-veteran
 - ▶ Non-Veteran with equity interest provides critical financial or bonding support
- ▶ Detailed Letter(s) of Explanation can help clarify and avoid further questions.
 - ▶ Work with PTAC Counselor

Required Documents for Verification

Required Documents For Verification

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Choose your business type below to view the documents required for the verification process. Note that additional clarifying documents may be requested from the Center for Verification Excellence (CVE) as part of this process.

Select Business Type

Required

Financial Information: Cancelled Check	▲
Financial Information: Contracts	▲
Financial Information: Payroll	▲
Financial Information: Signature cards	▲
Financial Information: Tax 1040	▲
Financial Information: Tax 1065	▲
General Information: License	▲
General Information: Resume	▲
Lease Information: Lease Agreements	▲
Legal Structure: Articles of Organization	▲
Legal Structure: Certificate of Formation	▲
Legal Structure: Operating Agreement	▲

Optional

Legal Structure: Franchise Agreement	▲
Legal Structure: Minutes	▲
Legal Structure: Stock Certificates	▲
Legal Structure: Stock Ledger	▲
Other Documents: Mentor Protégé Agreement	▲



Required Documents cont.

- ▶ All applicants must submit:
 - ▶ Business Taxes for prior three years
 - ▶ Any applicable licenses
 - ▶ Resumes for all owners/members
 - ▶ Payroll documentation for prior year and current YTD
 - ▶ Signature Cards for bank
 - ▶ Contracts
 - ▶ Lease agreement
 - ▶ Applicable formation documentation
 - ▶ Any applicable Franchise Agreement
 - ▶ Applicable Joint Venture or Mentor-Protégé Agreement(s)

Very Important: Messages

VA | U.S. Department of Veterans Affairs
Office of Small and Disadvantaged Business Utilization

Search

Vendor Information Pages ▾ | Acquisition Officials ▾ | Events ▾ | Services ▾ | Forecast of Opportunities | Help ▾

← **Owner/Rep Dashboard - Messages**

Business Tasks Messages Archive

Messages

Document Request

Messages

You have no messages.
SEE ALL MESSAGES FOR THIS COMPAN...



Is CVE the right fit for YOU?

Questions to ponder:

- Do you meet the requirements?
- Do you intend to bid on VA (or FAA) contracts?
Or Subcontracts with VA Prime Contractors?
- Do you already perform work with the VA?
- Do you wish to use the CVE verification logo for marketing purposes?

Marketing Your CVE Verified Status

- Use the logo on your webpage, capability statement, business cards
- Understand that the SDVOSB status is a door opener, not an entitlement
- It can be helpful to have SDVOSB competitors – otherwise, no set asides
- VOSB carries little weight outside of VA
 - only VA has a VOSB goal, however agencies tend to be pro-VOSB and try to ensure fair consideration
- SDVOSB status can set you up to be a protégé in a M/P relationship
- Take advantage of VBOC Services - [Veterans Business Outreach Center \(VBOC\) \(cweonline.org\)](http://cweonline.org) Covers all of New England



Shameless Commercial

- NH PTAC offers free assistance with all this & more.
- You must have a physical presence in New Hampshire.
- You have to sign up online.
- To continue “active client” status, you have to use us as a resource
- Please login to [eCenter](#) periodically to update your information and complete any pending surveys!

How do I get started with NH PTAC?

- ▶ Complete questionnaire on our website www.nheconomy.com/ptac
- ▶ email us at: govcontracting@livefree.nh.gov
- ▶ Meet with us in Concord (currently via Zoom)
- ▶ Request a site visit – we'll come to you.

