**Annual Review Guidance for Entity-owned Companies**

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### **Overview**

The questions detailed in these instructions will allow entity-owned companies to complete their 8(a) application. If you have additional questions, please see:

* [**Local Assistance**](https://www.sba.gov/local-assistance) - SBA and their network of partners offer free assistance in your area.
* [**Certify Knowledgebase**](https://sbaone.atlassian.net/wiki/spaces/CKB/overview) – Centralized location for detailed how-to articles, forms, frequently
* [**Certify Help Desk**](https://sbaone.atlassian.net/servicedesk/customer/portal/6) **–** If you cannot find answers to your questions from the resources detailed above, please contact the Certify Help Desk for assistance.

### **Eligibility Section**

| **Question** | **Guidance** |
| --- | --- |
| **Are there any pending adverse actions against your company?**  | Answer this question for the specific 8(a) Participant and any officers, directors, and all shareholders owning an interest of 20% or more. |
| **Is your company entity-owned?**  | Select “Yes”.  |
| **Entity-owned Benefits Reporting** | Detail the benefits the 8(a) Participant and Tribe have provided to native or tribal members and communities.  |
| **Upload your company's most recent Federal Tax Return including all forms, schedules, attachments, and proof of payment if a balance was due.** | If your parent company files consolidated Federal tax returns, including those of the Participant company, upload all returns, schedules, and attachments.Note: A tribally owned company chartered under Tribal or Federal law may be exempt from Federal tax liability and, consequently, from filing federal tax returns. In such a case, the tribally owned company will not be required to submit tax returns in connection with its 8(a) initial application and annual review.   |
| **Upload your company's most recent year-end balance sheet and income statements (profit and loss statements)**. | Please upload your latest fiscal year-end balance sheet and income statements showing a breakout of 8(a) and non-8(a) revenue, or - Consolidated financial statements prepared by your parent entity that include schedules for your company.Reference: [13 C.F.R. § 124.602](https://www.ecfr.gov/current/title-13/section-124.602) |
| **Revenue from 8(a) sales** | Enter 8(a) Participant revenue from 8(a) Sales for the last fiscal year.Examples of 8(a) work include:- Prime 8(a) set-aside contracts - 8(a) contracts awarded on a sole source basis- 8(a) task orders issued against multiple award schedule contracts- 8(a) contracts awarded to 8(a) joint ventures |
| **Revenue from non-8(a) sales** | Enter 8(a) Participant revenue from Non-8(a) SalesExamples of non-8(a) work include:- Non-government/commercial contracts and subcontracts- Government work outside of an 8(a) award- Multiple award schedule contracts not offered through the 8(a) program |

### **Business Development Section**

| **Question** | **Guidance** |
| --- | --- |
| **List all salaries, bonuses, advances, loans, distributions, or dividends paid in the past fiscal year to:**- Your company’s owners, officers, or directors- Outside companies that your company’s officers or directors own at least 10% of - Outside companies with an officer, partner, or director who is also an owner, officer, or director of your company**Please explain any payments that are not salaries.** | Provide information for the officers and directors paid in the last fiscal year. Only include the compensation included for the specific 8(a) Participant if the individual manages multiple companies.  |

### **Excessive Withdrawals**

Yearly withdrawals are excessive if they total more than:

- $250,000 for companies with sales up to $1,000,000

- $300,000 for companies with sales between $1,000,000 and $2,000,000

- $400,000 for companies with sales exceeding $2,000,000

The term withdrawal includes, but is not limited to:

- Cash dividends

- Distributions that exceed amounts needed to pay S Corporation, LLC or partnership taxes

- Cash and property withdrawals

- Payments to immediate family members not employed by your company

- Bonuses to officers

- Investments on behalf of an owner

Although officers' salaries are generally not considered withdrawals for purposes of this definition, SBA will count those salaries as withdrawals where SBA believes that a company is attempting to avoid the excessive withdrawal limitations through the payment of officers' salaries. SBA will look at the totality of the circumstances in determining whether to include any specific amount as a withdrawal. Reference: [13 CFR § 124.112(d)(5).](https://www.ecfr.gov/current/title-13/chapter-I/part-124#p-124.112(d)(5))

### **Control Section**

| **Question** | **Guidance** |
| --- | --- |
| **Have you paid for help getting federal contracts in the last year?** | If you used outside assistance to help you get a federal contract, you must submit an [SBA Form 1790](https://sbaone.atlassian.net/wiki/spaces/CKB/pages/145555464/SBA%2BForm%2B1790) every 6 months. Reference: [13 C.F.R. § 124.112(b)(7)](https://www.ecfr.gov/current/title-13/section-124.112) |

### **Individual Contributors Section**

When you select the Individual Contributors section, you will see 4 links:

1. **"Company Owner and Individual Claiming Disadvantage"** – you (the primary person filling out this 8(a) annual review) need to complete this section. Review the instructions below carefully as many of the questions in this section do not need to be answered because your company is entity-owned.
2. **"Please add another 8(a) Applicant, if applicable"** – you do not need to submit this section.
3. **"Please add the spouse of any Disadvantaged Individual"** – you do not need to submit this section.
4. **"Please add any other individuals directly involved with the business"** – your company’s officers, directors, member representatives, and day-to-day managers must complete this section. It covers the former SBA forms 1010-IND and 912. Once you add your colleagues’ emails to this section, they will receive an email asking them to create a Certify account and provide information for your 8(a) annual review.

If your parent company is filing multiple 8(a) annual reviews, and the same contributor is using two different emails to submit their two questionnaires, please track this information. Send an email with the individual’s name, email addresses, company names, and EIN numbers. Please use the [Certify Help Desk](https://sbaone.atlassian.net/servicedesk/customer/portal/6) to resolve any issues.

### **Individual Contributor (Disadvantaged)**

| **Question** | **Guidance** |
| --- | --- |
| **Identify any changes to the following**:* Phone number
* Home address
* Resume
* Outside employment
* Your ownership in other companies
* Your immediate family members (or businesses they own) doing business with your company
* Household federal employment
* Delinquency in the payment of Federally guaranteed obligations, business tax liens, or personal tax obligations
* Bankruptcy
* Marital status
 | The last four bullets do not apply to the day-to-day manager of an entity-owned firm and do not need to be identified.  |
| **Current Criminal Charges** | Detail any current criminal charges |
| **Recent Arrests**. | Detail any recent arrests  |
| **Economic Disadvantage**As of date | Enter $0 for all fields. Economic disadvantage information for the day-to-day manager of an entity-owned firm is not necessary.  |

### **Individual Contributor (Non-Disadvantaged)**

| **Question** | **Guidance** |
| --- | --- |
| **Current Criminal Charges** | Detail any current criminal charges |
| **Recent Arrests**. | Detail any recent arrests  |
| **Identify any changes to the following**:* Phone number
* Home address
* Resume
* Your ownership in other companies
* Your immediate family members (or businesses they own) doing business with your company
* Household Federal employment
* Delinquency in the payment of Federally guaranteed obligations, business tax liens, or personal tax obligations
* Bankruptcy
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