**Application Guidance for Entity-Owned Companies**

Contents

[Overview 1](#_Toc104363363)

[Eligibility 2](#_Toc104363364)

[Business Ownership 2](#_Toc104363365)

[Potential for Success 4](#_Toc104363366)

[Control 5](#_Toc104363367)

[Individual Contributor (Disadvantaged) 6](#_Toc104363368)

[Individual Contributor (Non-Disadvantaged) 7](#_Toc104363369)

### 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

|  |  |
| --- | --- |
| Question | Guidance |
| Has your company ever generated revenue? | Select N/A – Entity Owned |
| Has your company ever participated in in the 8(a) Program? | This question applies to the company applying for the 8(a) Program, not the entity. |
| Have you already used your one-time 8(a) eligibility to qualify a business for the 8(a) Program? | Select No |
| Are 50% or more your company's assets from a former 8(a) Participant?? | Note that this does not apply to a shared services agreement. |
| Have you met with a Resource Partner to assist with your 8(a) application? | If you provide evidence of your coordination with the Resource Partner, your application may be prioritized for review. You can find local resource partners near you at [sba.gov/local-assistance.](https://www.sba.gov/local-assistance) |
| Did you hire a consultant to help with your 8(a) application? | If you (the person filling out this 8(a) application) are employed by the parent company, and not the company applying for the 8(a) Program, select “yes” and upload the [Representative form 1010 Business](https://www.sba.gov/sites/default/files/2017-10/Representative%20Form%201010%20Business.pdf) |
| Are you a U.S. Citizen? | Answer Yes |

### Business Ownership

|  |  |
| --- | --- |
| Question | Guidance |
| Detail the Ownership of your Company? | Select the appropriate ownership options and upload your corresponding form 1010. |
| Detail the management of your company | Detail the day-to-day manger of the applicant company. |
| Has your company's ownership, legal structure, or name changed in the past two years? | Provide detail of any recent ownership or name changes. |
| Does your company currently have ownership interest in any other companies? | Select N/A – Entity-Owned |
| Does any other company or organization have more than 10% ownership interest in your company? | Select N/A – Entity-Owned |
| Please upload your company's Certificate of Good Standing (dated within one year) | Upload a certificate of good standing or an explanation of why one is not required |

#### Additional Ownership Documentation (all entity-owned applicants):

For all companies your parent company owns 50% or more of: in addition to their names, primary NAICS codes, and which (if any) have participated in the 8(a) Program, please provide the names of each company’s officers, directors, and/or managers

If the AIT, ANC, CDC, or NHO owns the applicant company through a subsidiary or holding company, provide the name and address of that company, along with the company’s Articles of Incorporation, Articles of Organization, corporate bylaws, stock certificates, stock register, and operating agreement (as applicable for the holding company’s legal structure)

Day-to-day manager’s resume

If the day-to-day manager has another job outside the applicant company, please provide the name of the other company, manager’s role, number of hours worked per week, work schedule, and an explanation of how it doesn’t interfere with the day-to-day manager’s ability to manage the applicant company. Include a letter from the other employer verifying the work hours and schedule.

If the household members of any individuals involved in the applicant company are federal employees, provide a letter of no objection from the federal agency employing the family member. Individuals involved in the company include day-to-day managers, board members, member representatives, officers, directors, etc.

#### ANCs should also provide:

Documentation showing the ANC’s ownership of the applicant company. (If this is uploaded to your corporation documentation in the Ownership section of your application, there is no need to provide it separately.)

#### CDCs should also provide:

Documentation to verify the CDC is a non-profit organization and has received financial assistance under 42 U.S.C. 9805, *et seq.*

#### Native Hawaiian Organizations (NHOs) should also provide:

Name, address, and contact information of the NHO parent company

☐ The percentage of the company owned by the NHO parent company

☐ Documentation showing the NHO’s ownership of the applicant company If the NHO or its subsidiary owns 50% or more of another business, provide this information for each company: company name, primary NAICS code, percentage of the NHO’s ownership, the names of each company’s officers, directors, and/or managers, and whether the company has participated in the 8(a) program

If the NHO has ever been an owner, stockholder or guarantor for a company that has received an SBA loan, provide the name of the borrower, the date approved (or estimated date), and the current status of the loan

The NHO’s corporate bylaws

Documentation that demonstrates the legal status of the NHO, including documentation filed with the State of Hawaii’s Department of Commerce and Consumer Affairs

Copies of all minutes of NHO board of directors’ meetings and all resolutions of the board of directors for the past two years

Copies of all minutes of NHO meetings in which directors were elected

Resumes of all board members

If not previously established, provide documentation to prove how the NHO will benefit economically disadvantaged Native Hawaiians. The NHO must provide data showing the economic condition of the Native Hawaiian community that it intends to serve, including:

* + The number of Native Hawaiians in the community
  + The current unemployment rate of those Native Hawaiians
  + The per capita income of those Native Hawaiians, excluding judgment awards
  + The percentage of those Native Hawaiians below the poverty level
  + The access those Native Hawaiians have to capital

Documentation of any activities the NHO has done to benefit Native Hawaiians at the time of the NHO company’s 8(a) program Initial Application

Statements in the NHO’s bylaws or operating agreements that identify the benefits Native Hawaiians will get from the NHO

A detailed plan showing how revenue earned by the NHO will mainly benefit Native Hawaiians

### Potential for Success

|  |  |
| --- | --- |
| Question | Guidance |
| Please upload your company’s Federal tax returns filed in the last five years, including all schedules and attachments, and proof of payment if a balance was due. | If your parent company files consolidated tax returns that include the applicant company, upload 5 years of the consolidated returns. If your company has not existed for 5 years and has not filed 5 years of taxes, upload all of the federal tax returns your company has filed. |
| Are you applying for the 8(a) program under the same primary NAICS code listed for your company on SAM.gov? |  |
| Do your company’s two most recent tax returns show revenues in its primary industry? |  |
| Do your company’s two most recent tax returns show revenues in its primary industry? | There are two other ways an entity-owned applicant can demonstrate potential for success:  (i) The individual(s) who will manage and control the daily business operations of the firm have substantial technical and management experience, the applicant has a record of successful performance on contracts from governmental or nongovernmental sources in its primary industry category, and the applicant has adequate capital to sustain its operations and carry out its business plan as a Participant; or  (ii) The Tribe, a tribally-owned economic development corporation, or other relevant tribally-owned holding company vested with the authority to oversee tribal economic development or business ventures has made a firm written commitment to support the operations of the applicant concern and it has the financial ability to do so. |
| Upload your company's most recent financial statements. | Consolidated financial statements are acceptable. |
| When does your company's fiscal year end? | Your company's fiscal year is the 12-month accounting period used for financial and tax reporting purposes. |
| List the 10 largest contracts/projects awarded to your company in the last year. | If you performed work as a subcontractor, list the prime contractor as the customer. |
| Is your company required to have any industry specific licensing? | If yes, upload a current copy of the license. If no, provide an explanation. |
| Is your company in the construction industry? | If so, provide evidence of bonding or an explanation of why it is not necessary. |

### Control

|  |  |
| --- | --- |
| Question | Guidance |
| Does your company have any agreements, or receive financial support, that may impact ownership or control? These may include:  • Shared Services Agreement  • Joint venture  • Mentor Protégé  • Indemnity  • Consulting  • Distributorship  • Licensing  • Teaming  • Trust  • Franchise  • Management  • Certifications  • Permits  • Shared locations or other resources  • Ownership of another company  • Other financial support  • Lease with financial or familial interest  • Loans not from a commercial bank | Upload any documents that describe how your parent company, or any other person or company, provides financial and/or bonding support to your company. |
| Are you the highest compensated person in your company? | Select N/A – Entity-Owned |

### Individual Contributor (Disadvantaged)

Once you select the Individual Contributors card, you will see 4 links:

* **Firm Owner and Individual Claiming Disadvantage** – you (the primary person filling out this 8(a) application) 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.
* **Please add another 8(a) Applicant, if applicable** – you do not need to submit this section.
* **Please add the spouse of any Disadvantaged Individual** – you do not need to submit this section.
* **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. 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 the application

|  |  |
| --- | --- |
| Question | Guidance |
| Upload your personal resume | If you are the day-to-day manager of your company, upload your personal resume.  If your company is an NHO and you are a board member, upload your personal resume. |
| Do you have a job outside your company? | If you are the day-to-day manager, answer this question and provided the requested documentation.  If you are not the day-to-day manager, the SBA does not need to know if you have another job so you can select “no”. |
| Do you have ownership or management interest in any other company? | Answer No |
| Have you, or any company you owned, ever applied for certification in the 8(a) Program? | Answer No |
| Have any of your immediate family members ever owned a company that was admitted to the 8(a) Program? | Answer No |
| Are you a Federal Government employee? | If you are a Federal Government employee, provide an explanation of how it does not impact your management responsibilities at the applicant firm. |
| Is any member of your household a Federal Government employee at or above a GS-13 or its equivalent or an SBA employee in any position? | Answer No |
| Have you filed for personal bankruptcy within the past 7 years? | Answer No |
| Basis of Disadvantage | Select “Native American” |
| Please provide documentation supporting your membership in the “Native American” group. | Upload a blank PDF since you don’t need to provide this information |
| Have you transferred any assets to any immediate family member for less than fair market value in the last two years? | Answer No |
| Upload your Individual Income Tax Returns for the last three completed tax years. Include all Schedules and attachments. | Upload a blank PDF since you don’t need to provide this information |
| As of date | Enter today’s date |
| All Individual asset/liability questions | Enter $0 for all fields |

### Individual Contributor (Non-Disadvantaged)

|  |  |
| --- | --- |
| Question | Guidance |
| Are you the former employer of the individual claiming disadvantage? | Answer No |
| Are you the former majority owner (51% or more) of the applicant company? | Answer No |
| Do you have ownership or management interest in any other company? | Answer this question and provide the requested documentation |
| Have any of your immediate family members ever owned a company that was admitted to the 8(a) Program? | Answer No |
| Have you, or any company you owned, ever applied for certification in the 8(a) Program? | Answer No |