

# Make the Most of Your Woman-Owned Business by Identifying and Leveraging Your Socioeconomic (dis)Advantages

October 11, 2022



Presented by:



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# SBA Contracting Assistance Programs

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# Program Types

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4. 8(a) Business Development
5. Service-Disabled Veteran-Owned Small Business
6. SBA Mentor-Protégé
7. Joint Ventures
8. 7(j) Management and Technical Assistance
9. HUBZone
10. Natural Resource Sales Assistance

# Program Types

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# Small Disadvantaged Business

1. 51% or more owned and controlled by one or more disadvantaged persons
2. Socially and economically disadvantaged
3. Small business

# Women-Owned Small Business (WOSB)

1. 51% or more owned and controlled by women who are U.S. citizens
2. Women manage day-to-day operations and make long-term decisions
3. Small business

# Economically Disadvantaged Women-Owned Small Business (EDWOSB)

1. Meet all the WOSB requirements
2. Be owned and controlled by one or more women:
  - i. Each with a personal net worth less than \$750,000, AND
  - ii. Each with \$350,000 or less in adjusted gross income averaged over the previous three years, AND
  - iii. Each with \$6 million or less in personal assets



# 8(a) Business Development

1. Small Business
2. No previous 8(a) program participation
3. At least 51% owned and controlled by U.S. citizens who are socially and economically disadvantaged
4. Have personal net worth of \$750,000 or less, AGI of \$350,000 or less and \$6 million or less in assets
5. Demonstrate good character and potential to perform on contracts

# What is the Definition of Small Business?

“Small Business“ means a business, and its affiliates, that is:

1. independently owned and operated,
2. not dominant in the field in which it is bidding on government contracts, and
3. qualified under the small business criteria and size standards established by the federal government.
4. SBA factors in the number of employees over the past year or average annual receipts over the past three years. Size standards vary by industry. (see charts)

# What is the Definition of Small Business?

		Size Standards in millions of dollars
Subsector 238 – Specialty Trade Contractors		
238110	Poured Concrete Foundation and Structure Contractors	\$ 16.5
238120	Structural Steel and Precast Concrete Contractors	\$ 16.5
238130	Framing Contractors	\$ 16.5
238140	Masonry Contractors	\$ 16.5
238150	Glass and Glazing Contractors	\$ 16.5
238160	Roofing Contractors	\$ 16.5
238170	Siding Contractors	\$ 16.5
238190	Other Foundation, Structure, and Building Exterior Contractors	\$ 16.5
238210	Electrical Contractors and Other Wiring Installation Contractors	\$ 16.5
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$ 16.5
238290	Other Building Equipment Contractors	\$ 16.5
238310	Drywall and Insulation Contractors	\$ 16.5
238320	Painting and Wall Covering Contractors	\$ 16.5
238330	Flooring Contractors	\$ 16.5
238340	Tile and Terrazzo Contractors	\$ 16.5
238350	Finish Carpentry Contractors	\$ 16.5
238390	Other Building Finishing Contractors	\$ 16.5
238910	Site Preparation Contractors	\$ 16.5
238990	All Other Specialty Trade Contractors	\$ 16.5
238990_Except	Building and Property Specialty Trade Services <sup>13</sup>	\$ 16.5

# What is the Definition of Small Business?

		Size Standards in millions of dollars
Subsector	236 – Construction of Buildings	
236115	New Single-family Housing Construction (Except For-Sale Builders)	\$ 39.5
236116	New Multifamily Housing Construction (except For-Sale Builders)	\$ 39.5
236117	New Housing For-Sale Builders	\$ 39.5
236118	Residential Remodelers	\$ 39.5
236210	Industrial Building Construction	\$ 39.5
236220	Commercial and Institutional Building Construction	\$ 39.5

# What is the Definition of Small Business?

		Size Standards in millions of dollars
Subsector 237 – Heavy and Civil Engineering Construction		
237110	Water and Sewer Line and Related Structures Construction	\$ 39.5
237120	Oil and Gas Pipeline and Related Structures Construction	\$ 39.5
237130	Power and Communication Line and Related Structures Construction	\$ 39.5
237210	Land Subdivision	\$ 30.0
237310	Highway, Street, and Bridge Construction	\$ 39.5
237990	Other Heavy and Civil Engineering Construction	\$ 39.5
237990_E xcept	Dredging and Surface Cleanup Activities <sup>2</sup>	\$ 30.0

# What is the Definition of Small Business?

Affiliates: You must include the employees or receipts of all affiliates when determining the size of a business. Affiliation with another business is based on the power to control, whether exercised or not. The power to control exists when an external party has 50 percent or more ownership. It may also exist with considerably less than 50 percent ownership by contractual arrangement or when one or more parties own a large share compared to other parties.

# What is the Definition of Small Business?

Annual receipts: This is the “total income” (or “gross income”) plus the “cost of goods sold.” These numbers can normally be found on the business’ IRS tax return forms. Receipts are averaged over a business’ latest three complete fiscal years or (except in the Business Loan and Disaster Loan Programs) five complete fiscal years to determine the average annual receipts. If a business hasn’t been in business for five years, multiply its average weekly revenue by 52 to determine its average annual receipts.

# What is the Definition of Small Business?

Employee calculation: This is the average number of people employed for each pay period over the business' latest 12 calendar months. Any person on the payroll must be included as one employee regardless of hours worked or temporary status. The number of employees of a concern in business less than 12 months is the average for each pay period that it has been in business.



# What is the Definition of Socially Disadvantaged?

Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identities as members of groups and without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control.

# What is the Definition of Socially Disadvantaged?

According to SBA, there are four elements of establishing social disadvantage:

- You need at least one *objective distinguishing feature*;
- Your social disadvantage must be rooted in treatment experienced in American society;
- Your social disadvantage must be chronic and substantial, not fleeting or insignificant; and
- Your social disadvantage must have negatively impacted your entry or advancement in the business world

# What is the Definition of Economically Disadvantaged?

In general, economically disadvantaged individuals are socially disadvantaged individuals whose 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.

# What is the Definition of Economically Disadvantaged?

Factors Considered: SBA will examine factors relating to the personal financial condition of any individual claiming disadvantaged status. An individual who exceeds any one of the thresholds will generally be deemed NOT economically disadvantaged:

- Personal net worth of \$750,000 or less
- AGI of \$350,000 or less, and
- Assets valued at \$6,000,000 or less

# Getting Certified

1. <https://certify.sba.gov/>
2. Third-party organizations can assist with certification
3. Multiple category certification
4. WOSB/EDWOSB Apply for certification through SBA.gov.  
Self-certification option no longer available.

# Maintaining Certification

## Submit Annually:

- Profit & Loss Statement must include 8(a) revenue and non 8(a) revenue. Show how much of the revenue was obtained from sole source contracts and how much was obtained from competitive contracts.
- Participants with gross annual receipts of more than \$10 Million must submit audited annual financial statements prepared by a licensed independent public accountant within 120 days after the close of the concern's fiscal year.
- Participants with gross annual receipts of \$2 - \$10 Million must submit reviewed annual financial statements prepared by a licensed independent public accountant within 90 days after the close of the concern's fiscal year.

# Maintaining Certification

## Submit Annually (Continued):

- Participants with gross annual receipts of less than \$2 million must submit an annual statement prepared in-house or a compilation statement prepared by a licensed independent public accountant, verified as to accuracy by an authorized officer, including signature and date within 90 days after the close of the concern's fiscal year.
- All reviewed and audited financial statements submitted to SBA must be prepared in accordance with Generally Accepted Accounting Principles.

# Maintaining Certification

## Submit Annually (Continued):

- Signed and dated personal tax returns must be submitted for each individual upon whom eligibility is based. In addition, each general partner, each management member, each officer, each director, and each owner of at least 10 percent of the stock of the concern must provide signed and dated copies of personal federal tax returns, including ALL Forms W-2, ALL schedules and ALL other attachments. If the individual is married and filing separately, the spouse must also provide signed copies of complete tax returns.



# Questions?

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