

Certification – What Is It?

What is Certification?

Certification is the process of verifying that a business is owned and managed by minority individuals or women.

What documentation is required?

The documentation required will depend on the structure of the company. For example: The documentation required from a company that has incorporated will differ from the documentation required by a partnership or sole proprietorship; and also, the information required from a distributor will differ from that required by a manufacturer. In general, an agency will request proof of ethnicity, all professional and business licenses, resumes, financial statements, tax documents, stock certificates/proof of capital investment. An on site visit to the company may also be required.

Who can be certified?

Most agencies recognize “minority group members” as US citizens who are African-American, Hispanic American, Native American, Asian-Pacific American and Asian-Indian American. Government agencies certify woman owned businesses as well.

Why should MBE firms become certified?

Certification allows MBE’s to be eligible to bid on contracts set aside for minority firms. It also gets them into minority business directories and databases used by corporations for referrals. Also government agencies and the private sector may have goals for minority and women owned businesses. The NMSDC has a regional and national database of their certified MBE’s available to 3,500 corporations nationally.

What does NMSDC certification offer to MBE coordinators?

By using NMSDC certification, they can channel resources into minority business development instead of certification. They receive consistent, timely certifications, a universal clearing house, and tremendous dollar savings. Staff can spend more time helping MBE’s get opportunities, purchase orders and contracts and less time on redundant paperwork. Through the NMSDC certification process, MBE coordinators can obtain vital information that can determine the MBE’s potential to work with their company.

How many agencies can I be certified with?

There are numerous agencies to register with, including FMSDC, Orange County, Hillsborough County, the City of Jacksonville, the city of Tampa, the City of Orlando, the State of Florida just to name a few. For private sector corporations only NMSDC certification is required. NMSDC is the only agency that can certify on a national level. You should certify only with those certifying bodies that you want to do business with.

Categories of certifying entities

NMSDC

3,500 Private sector companies and some government agencies such as Orlando Utility Company, Orange County, and Orange County Public Schools use NMSDC certification. Certify ethnic minorities only.

Local and State Government

Those government agencies with M/WBE programs usually have a certification program. In Florida, some agencies accept other government agency certifications and NMSDC certification. Most accept only their own. For instance, the City of Orlando will accept no other certification. You must call the government agency to find out those certifications they will accept.

DOT

The US Department of Transportation have their own certification process. It is necessary to include a person's financial statement as part of the certification process, as there is a net worth limitation. DOT certifies traditional minority owned businesses and other business that can demonstrate that they have been disadvantaged.

Federal Government and Government Prime Contractors

Federal agencies, such as the department of Defense, Department of the Treasury, etc. and Federal Prime contractors such as Lockheed Martin and Raytheon only accept SDB (Small Disadvantaged Business) certification, issued by the Small Business Administration (SBA). It is necessary to include a person's financial statement as part of the certification process, as there is a net worth limitation. Also the business must be a small business, as defined by the SBA. SBA certifies traditional minority owned businesses and other business that can demonstrate that they have been disadvantaged. SDB certified firm owners must be United States citizens.

8(a) Certification

Is a special category of firms, eligible for federal set asides. 8(a) firms can include traditional minority owned businesses and other business that can demonstrate that they have been disadvantaged. 8(a) certified firm owners must be United States citizens.

Hub Zone

Is a special category of firms, eligible for federal set asides. Hub Zone firms have to have their headquarters located in Census Tracts with residents earning below the national average. HubZone firms can include traditional minority owned businesses and other business that can demonstrate that they have been disadvantaged.