

Minority Business Certification 101



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The intent of minority certification is to provide some degree of assurance that a business that refers to itself as minority (i.e. woman-owned, ethnic minority owned, also known as MWBE, etc.) is indeed owned 51% or more by bona fide minorities. This is helpful to corporations that set goals for minority spend and/or that must report diverse spend data to various audiences. Keep in mind that minority certification may require a fee and considerable internal resources to complete forms, assemble various documents, etc. (note: there are typically no fees for public certification). Therefore, the key decision-drivers to the question of “minority certification – yes or no?” are:

- “HOW will it benefit my business?” and next,
- “WHAT certifications are important to MY target markets/customers?”

The various minority certifications are too numerous to list here. Therefore, the following is intended to provide a brief “primer” overview (not necessarily all-inclusive) of the various types of minority business certifications for MWBEs (minority, women-owned business enterprises). Hopefully, this will aid in your decision-making process regarding minority certification.

Public certifications

These are primarily tools to assist government agencies in locating vendors for various needs; the registrant information populates databases. As no membership/access fee is required, other entities (i.e. private sector firms) can use these databases as well. I have provided website links below, which will provide access to the specific vendor application and certification forms. For a more complete overview of the vendor databases, please visit <http://www.yourbusinessworks.com/resources.htm>. For guidance in obtaining revenue from the 2009 Economic Stimulus, please visit <http://www.yestoolkit.com>.

Federal Certifications

- United States Small Business Administration
 - 8(a) – Many corporations accept 8(a) certification on the same basis as WBENC and NMSDC (private, 3rd party certifiers noted above)
<http://www.sba.gov/8abd/>
 - HUBZone certification - The HUBZone Empowerment Contracting Program stimulates economic development and creates jobs in urban and rural communities by providing Federal contracting preferences to small businesses. These preferences go to small businesses that obtain HUBZone (Historically Underutilized Business Zone) certification in part by employing staff that live in a HUBZone (not necessarily MWBE-owned).
<https://eweb1.sba.gov/hubzone/internet/index.cfm>
 - SBA Central Contractor Registration (CCR) – self-registration/certification in the federal small business database, includes the ability to designate MWBE status
<http://www.ccr.gov>
- United States Department of Transportation
 - Disadvantaged Business Enterprise (DBE) – certification is intended to ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department’s highway, transit, airport, and highway safety financial assistance programs.
<http://www.dotcr.ost.dot.gov/asp/dbe.asp>

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To acquire DOT DBE certification, firms meeting the DOT DBE eligibility standards must contact the specific state or local transportation entity for which they wish to participate in contracts. See DBE program contacts below:

US DOT DBE Program Contacts

- <http://osdbu.dot.gov/DBEProgram/GuidanceforDBEProgramAdministrators/HowToContactDOT.cfm>

State Disadvantaged Business Enterprise (DBE) Liaison and Certification Officers

- <http://osdbu.dot.gov/DBEProgram/StateDBELiaisonCertificationOfficers.cfm>

State DOT and Disadvantage Business Enterprise (DBE) Sites

- <http://osdbu.dot.gov/DBEProgram/StateDOTDBESites.cfm>

See also the United States Department of Transportation's Office of Small and Disadvantaged Business Utilization website at (DOT/OSDBU) –

- <http://osdbu.dot.gov/>

State Certifications

- State of North Carolina, Historically Underutilized Businesses - self-certification, no site visit required. *Please check with your state to determine certification requirements.*

<http://www.ips.state.nc.us/ips/vendor/vndrmess.asp>

Municipal/Local Certifications

- Municipalities - i.e. the City of Charlotte. Municipalities vary in the disclosure of ownership/financial information and site visit requirement. No fee for the City of Charlotte. *Please check with your municipality to determine certification requirements.*

<http://www.charmeck.org/Departments/Economic+Development/Small+Business+Opportunities/home.htm>

Private certifications

The following are private "third-party" certifiers who require detailed information and verification regarding the ownership, financing, operation, and expertise of the business owner. A site visit accompanies the certification. Additionally, these certifications are widely recognized and often required/desired by corporations. These certifiers maintain vendor databases, which member corporations may use to identify qualified vendors.

- National Minority Supplier Development Council - administered by local/regional chapters, e.g. Carolinas MSDC (www.carolinasmcdc.org). A complete listing of regional chapters is found on www.nmsdcus.org)
- Women's Business Enterprise National Council (www.wbenc.org) - primary third-party certifier of woman-owned businesses.