

Small Business Certification Benefits

Approximately 98% of all California businesses are small businesses. Therefore, becoming a Certified Small Business firm with the State of California can provide a number of material benefits to small business owners. For example, as a Certified Small Business, you:

- ❖ Qualify for a 5% bid preference on applicable state contracts, purchases of products and services.
- ❖ Are eligible for benefits under the State's Prompt Payment Act, including higher interest penalties for late, undisputed invoices
- ❖ Receive free listing on the State's Internet Certified Firm Listing WebPages to give your firm more visibility and expanded business networking opportunities
- ❖ Pay no certification processing fees – **IT'S FREE!**

Eligibility Requirements

Small Business, (SB):

- ❖ Must be independently owned and operated;
 - ❖ Cannot be dominant in its field of operation;
- ❖ Must have its principal office located in California;
- ❖ Must have its owners (or officers in the case of a corporation) domiciled in California; and
- ❖ Together with its affiliates, be either:
 - ❖ A business with 100 or fewer employees, and an average annual gross receipts of \$14 million or less over the previous three tax years, or
 - ❖ A manufacturer with 100 or fewer employees.

Online Application Process

Using the online application allows you to enter gross annual receipts and number of employee's information online. In most cases, an applicant can receive an immediate certification status and it eliminates the need to submit support documentation.

<http://www.dgs.ca.gov/pd/Programs/OSDS/GetCertified.aspx>

Required Support Documents:

Page 5 of the certification application identifies business structures that must include specific support documentation with the Small Business application.

Paper Application

Submit your **completed** and **signed** paper application **and Required Support Documents** (as specified on the application) to:

Office of Small Business and DVBE Services
707 3rd Street, 1st Floor, Room 1-400
West Sacramento, CA 95605

The Certification Process

Once the OSDS processes your application, you will be contacted via one of the following letters:

- Approval Letter: An official notice that your firm has been certified.
- Deficiency Letter: A request for additional information to further determine your certification eligibility.
- Denial Letter: An official notice that your firm has been determined ineligible for certification.

Disabled Veteran Business Enterprise, (DVBE):

For **DVBE** certification purposes, a "disabled veteran" is:

- ❖ A veteran of the U.S. military, naval, or air service;
- ❖ The veteran must have a service-connected disability of at least 10% or more; and
- ❖ The veteran must be domiciled in California.

To be certified as a **DVBE**, your firm must meet the following requirements:

- ❖ Your business must be at least 51% owned by one or more disabled veterans;
- ❖ Your daily business operations must be managed and controlled by one or more disabled veterans
- ❖ The disabled veteran who manages and controls the business is not required to be an owner of the applicant business; and
- ❖ Your home office must be located in the U.S. (the home office cannot be a branch or subsidiary of a foreign corporation, foreign firm, or other foreign based business).

Required Support Documents

DVBE

Online Application Process

Using the online application allows you to enter gross annual receipts and number of employee's information online. In most cases, an applicant can receive an immediate certification status and it eliminates the need to submit support documentation.

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- Page 6 of the certification application identifies specific support documentation that all DVBEs must include with the DVBE application.
- Page 6 also lists the additional support documents required for various business structures.

If you are unable to download or access the applications or to receive a hardcopy by mail, please call (916) 375-4940 or email osdchelp@dgs.ca.gov.

If you choose not to use our online certification application, you can apply for Small Business and/or Disabled Veteran Business Enterprise (DVBE) certification using the **paper** "Small Business and DVBE Certification Application," STD. 812 (REV. 2/1/2007c). The paper process requires you to print, complete and submit a paper application along with the applicable support documents as specified on page(s) 5 and/or 6 of the certification application.

Need Help?

Contact the OSDS by email at SBDVBECert@dgs.ca.gov, by phone at (916) 375-4940, or by fax at (916) 375-4950.