8(a) Business Development (BD) Program Suitability Tool Statements

Firms that participate in the 8(a) BD program benefit from the business development assistance provided by the district offices of SBA located around the country. The program participants are responsible for maintaining their eligibility and self-marketing their products and services to the Federal government and the private sector.

Because the program is of a limited duration and has a one-time eligibility restriction it is important for firms applying to the program to understand the basic eligibility and reporting requirements for participation. Once a firm has established its eligibility it is required to maintain that eligibility, which is monitored by SBA on an annual basis. The following information is designed to assist the applicant in applying to and participating in the 8(a) BD program.

Please answer the following questions to the best of your ability.

**Basic Requirements**

1. Are you a citizen of the United States?
   - [ ] Yes
   - [ ] No

2. Do you own a small business?
   - [ ] Yes
   - [ ] No

3. Do you know the North American Industrial Classification Code (NAICS) for your business?
   - [ ] Yes
   - [ ] No

4. Are you familiar with the rules and regulations that govern the SBA size rules, the 8(a) Business Development program and SBA’s Government Contracting programs (13 CFR Parts 121, 124 and 125)?
   - [ ] Yes
   - [ ] No

5. Is your business currently listed in the System for Awards Management (SAM)?
   - [ ] Yes
   - [ ] No

6. If so, do you review and update your SBA Profile in the Dynamic Small Business Search (DSBS) and CCR profiles on a regular basis?
8(a) BD Program Requirements

Ownership and Control

1. Do you own at least 51% of your business?
   - Yes    - No

2. Are you operating your business full time?
   - Yes    - No

3. Has your business been operating for more than two years?
   - Yes    - No

4. Do you hold the highest position in your businesses organization?
   - Yes    - No

5. Do you compensate yourself?
   - Yes    - No

6. Do you, your officers and your key employees have a current resumes?
   - Yes    - No

7. Did you have current financial statements for your business?
   - Yes    - No

8. Do you have profit and loss statements and a balance sheet?
   - Yes    - No
9. Have your financial statements been prepared in accordance with generally accepted accounting principles or an accepted cash basis?

☐ Yes ☐ No

10. Is your firm currently operating with adequate working capital (monthly cash flow exceeds monthly expenses)?

☐ Yes ☐ No

11. Do you have any lines of credit?

☐ Yes ☐ No

12. Can you provide copies of all credit line agreements?

☐ Yes ☐ No

13. Do you believe that you have sufficient lines of credit to finance your firm’s operations?

☐ Yes ☐ No

14. If you have received a business loan (guaranteed by SBA or obtained elsewhere) is the loan in good standing?

☐ Yes ☐ No

15. If your firm is in the construction industry, do you have bonding? (required for you to demonstrate your capacity and capability to perform on contracts)

☐ Yes ☐ No

16. Do you know if a security clearance or special type of certification is required for your business as it relates to obtaining federal contracts?

☐ Yes ☐ No

**Social Disadvantage**

The Small Business Act defines socially disadvantaged individuals are those individuals 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.
and the social disadvantage must stem from circumstances beyond their control. The following groups of individuals are deemed to be socially disadvantaged:

Black Americans  
Hispanic Americans  
Native Americans\(^2\)  
Asian Pacific Americans\(^3\)  
Subcontinent Asian Americans\(^4\)

Being born in a country does not, by itself, make the birth country an individual's country of origin for purposes of being included within a designated group.

Individuals not members of one of the listed designated groups may establish social disadvantage based on personal experiences of substantial and chronic social disadvantage in American society, not in other countries, which is the result of a distinguishing feature (i.e., race, ethnic origin, gender, physical disability) that has contributed to the social disadvantage.

The social disadvantaged must have a negative impact on your entry into or advancement in the business world because of the disadvantage. SBA considers education, employment and business history.

1. Are you a member of one of the designated groups described above and do you hold yourself out to be a member of that group?  
   
   ☐ Yes ☐ No

2. If you are not a member of a designated group, please identify the basis of discrimination  
   
   ☐ Race ☐ Ethnic ☐ Origin ☐ Gender ☐ Disability ☐ Other

3. If you are not a member of a designated group but believe you have been subject to discrimination has your experience resulted in a negative impact on entry into or advancement in the business world?  

4. Did your experience occur in the course of your education, employment or business history? Check all those apply and be prepared to provide a detailed narrative statement supporting your claim(s).  
   
   ☐ Business History ☐ Employment ☐ Education

**Economic Disadvantage**

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.

For initial 8(a) BD eligibility, the net worth of an individual claiming disadvantage must be less than $250,000.

For continued 8(a) BD eligibility after admission to the program, net worth must be less than $750,000.

SBA also determines an individual’s economic disadvantage by comparing the personal income attributable to the individual to IRS statistical data of high income wage earners.

Finally, individuals with total assets (no adjustments) of $4 million or more are considered economically disadvantaged.

Individuals applying for 8(a) BD certification are required to complete personal financial statements for themselves and their spouse and provided two years of Federal income tax returns.

1. Based on SBA’s definition of economic disadvantaged, do you believe you meet the economic disadvantage thresholds for participation in the 8(a) BD program?
   - Yes  [ ] No  [ ]

2. Can you provide personal Federal tax returns for the two most recent periods?
   - Yes  [ ] No  [ ]

3. Can you provide complete copies of your firm’s federal business tax returns for the last three years?
   - Yes  [ ] No  [ ]

4. Have there been any personal or business bankruptcies?
   - Yes  [ ] No  [ ]

5. If so, can you provide information on the current status of this bankruptcy (including any bankruptcy discharge documentation)?
   - Yes  [ ] No  [ ]

6. Does your firm or any of its principals have tax liens against them?
7. If so, can you provide all necessary information regarding these liens?

   ☐ Yes  ☐ No

**Business Development**

1. Does your business have a current business plan?

   ☐ Yes  ☐ No

2. Does your business plan identify your business objectives and goals?

   ☐ Yes  ☐ No

3. Does your business plan provide a strategy for growth and expansion?

   ☐ Yes  ☐ No

4. Have you identified your core competencies (i.e., Strengths)?

   ☐ Yes  ☐ No

5. Have you identified a target market?

   ☐ Yes  ☐ No

6. Do you know your target market?

   ☐ Yes  ☐ No

7. Have you developed a marketing plan for your business?

   ☐ Yes  ☐ No

8. Do you understand the marketing trends unique to your business industry?

   ☐ Yes  ☐ No

9. Do you have a customer service plan for your business?
10. Have you considered diversifying in another industry?
   ○ Yes  ○ No

11. Does your business currently operate under more than one NAICS code?
   ○ Yes  ○ No

   ○ Yes  ○ No

13. Have you taken any contracting or government procurement classes?
   ○ Yes  ○ No

14. Have you marketed your business products and/or services to a public agency for the purpose of obtaining a contract or subcontract?
   ○ Yes  ○ No

15. Has your business ever received a contract from a federal or state agency or enterprise?
   ○ Yes  ○ No

Best wishes for success in your entrepreneurial endeavors.