

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 Code¹ (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?

- Yes No

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 Americans²
Asian Pacific Americans³
Subcontinent Asian Americans⁴

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 word?

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 ⁵ 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?

Yes No

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?

Yes No

10. Have you considered diversifying in another industry?

Yes No

11. Does your business currently operate under more than one NAICS code?

Yes No

12. Do you regularly review contract offerings on FedBizOps.gov? <https://www.fbo.gov/>

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.