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Small Business Certification: Benefits & Requirements

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by [ZanetaB](#) MOD on 05-26-2009 01:54 PM

Small business certifications are like professional certifications. They document a special capability or status that will help you compete in the marketplace. Unlike permits and licenses, you do not need to obtain certifications to legally operate. However, in order to take advantage of business opportunities, such as government contracts, you may need to obtain some certifications.

Federal, state and local governments [offer businesses opportunities](#) to sell billions of dollars worth of products and services. Many government agencies require that some percentage of the procurements be set aside for small businesses. Certifying your business can definitely help you successfully compete for government contracts.

How Certify as a Small Business

The Federal government sets aside certain contract bid opportunities exclusively for small businesses. In order to compete for these contracts, you must first [register as a vendor](#) with the government.

As part of the registration process, you will be required to enter information about your company in the [Central Contractor Registration \(CCR\)](#) database. In the CCR, you may self-certify yourself as a small business, but you must meet the Federal government's definition of a small business.

The U.S. Small Business Administration defines a "small business" in terms of the number of employees over the past year, or average annual receipts over the past three years. Size standards vary by industry. Visit SBA's guide to [Classifying Your Business](#) to find out if you can be classified as a small business.

How to Certify as a Disadvantaged, Women, or Veteran-Owned Business

Currently, there is no formal certification process for veteran-owned, women-owned and minority-owned small businesses. When you register your business in the CCR, you may also self-identify as belonging to one or more of these groups.

SBA used to manage the Small Disadvantaged Business Certification (SDB) program, which allowed business owners to certify their businesses as disadvantaged in order to compete for certain federal contracting opportunities. The SDB program was [discontinued](#) on October 1, 2008, and replaced with the self-certification process.

The Federal government also has programs that helps small businesses owned, operated, and actively managed by women, minority group members, veterans or persons with disabilities compete in the marketplace.

Visit these links to learn more about these programs:

- SBA's [8\(a\) Business Development Program](#) provides assistance services that help small, disadvantaged businesses gain access the federal procurement market.
- SBA's [HUBZone Program](#) helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities. These preferences go to small businesses that obtain HUBZone certification in part by employing staff who live in a HUBZone. The company must also maintain a "principal office" in one of these specially designated areas.

- [WomenBiz.gov](#) and SBA's [Contract Assistance for Women Business Owners](#) guide provides information on how SBA works with federal agencies to help open up contracting opportunities for women-owned small businesses.
- [VetBiz.gov](#) and SBA's [Veterans and Service-Disabled Veterans](#) guide provides information on programs that assist veteran-owned businesses compete for federal contracting opportunities.

State Government Certification

Many state governments also provide small business certification programs that help small businesses compete for government contracts. Certification criteria at the state level are different than federal criteria. Visit the [State Contracting Opportunities](#) page to find out more about [your state's certification programs](#).

More Information

For more information on how to sell your products or services to the government, visit the [Government Contracting Guide](#).

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Comments

by **JoeGamer** on 06-27-2009 06:10 PM - last edited on 09-30-2009 12:11 PM by **NicoleD** ADMIN

I read the article, but couldn't really find any 'benefits' or 'perks' for registering, besides the fact that it's the law.

Omer A.

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Message Edited by NicoleD on 09-30-2009 12:11 PM

by **ZanetaB** MOD on 06-30-2009 04:40 PM

Hi Joe: Well certifying your business is actually not a law, UNLESS you want to do business with federal and state government. In order to bid on government contracts set aside for small business, it is a requirement to certify your business.

POWERED BY  lithium