

SBA Recent Changes to the 8(a) Certification Program

Evidence Changes

1. Caucasian Woman and Service Disabled Veteran Applications will require more evidence of bias and discrimination in order to qualify for 8(a).

“Under the proposed rule, SBA could disregard a claim of social disadvantage where a legitimate alternative ground for an adverse action exists and the individual has not presented evidence that would render his/her claim any more likely than the alternative ground. A statement that a male co-worker received higher compensation or was promoted over a woman does not amount to an incident of social disadvantage by itself. Additional facts are necessary to establish an instance of social disadvantage. A statement that a male co-worker received higher compensation or was promoted over a woman and that the woman had the same or superior qualifications and responsibilities would constitute an incident of social disadvantage.”

This will result in the Caucasian Woman or SDVOSB applicant needing more stories as the likelihood of the SBA being in agreement with the validity of all stories in the Social Disadvantaged Narrative is less likely.

2. Management Experience over Industry Experience

An applicant’s industry experience is no longer as important rather that the individual has adequate management experience.

“[m]anagement experience need not be related to the same or similar industry as the primary industry classification of the applicant or Participant.”

Administrative Changes

1. No IRS form 4506T anymore – this is the form that grants the SBA a copy of your tax return for verification purposes.

2. All apps must be electronic – Hopefully this move will increase the throughput of 8(a) applications.

3. No wet signatures required anymore, the applicant will be acknowledging responsibility for all documents submitted as part of the application electronically.

4. No longer having all applications with criminal records go to OIG (Office of Inspector General). Applications where the owner only had minor infractions or those infractions were many years in the past the SBA will now allow through without additional scrutiny. This will speed up these types of applications a great deal.

5. No economic narrative needed for presumed group applications. The numbers for being economically disadvantaged will speak for themselves and no longer is an additional narrative needed in support of proving economic disadvantage.

Renewal Changes

The SBA will automatically change you NAICS code in your annual review if appropriate – no longer have to go through a process to get it changed.