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Minority Certification 101

So you want to obtain a minority/woman certification? Well, **here** are some common questions regarding the process to get you on your way:

What is minority/woman certification?

It is a certificate that says your company is owned in its majority by an individual or individuals who are women or minorities (African-American, Hispanic, Asian or Native American). "Majority" is defined as 51% of the company or more. In order to obtain a certification, those individuals have to demonstrate they own the majority of the company by showing legal documents, such as stock certificates. Individuals must also demonstrate that they control the company. This means they need to manage the day-to-day operations of the business, have industry expertise, have the authority to sign contacts, control the financial operations, etc.

Who benefits from having such a certification?

Certifications are not for every business. Certifications will benefit companies that want to sell to government agencies and/or large corporations, and those agencies and companies that have diversity programs in place. Having a diversity program implies that those agencies and companies have established certain purchasing goals – meaning, a certain percentage of their purchasing budget has to go to minority/woman owned businesses.

Does one certification serve all?

There are actually many certifications for minority/woman owned businesses. For example, if you are a minority you can obtain an 8(a) certification with the federal government, but you can also obtain an MBE certification with the State of Florida. Those two certifications are different and require separate applications. They are also used for different purposes. The 8(a) certification will be used to try to obtain contracts with federal agencies like the Department of Defense. The MBE State of Florida certification will be used to try to obtain contracts with state agencies like The Florida Department of Management Services.

For free assistance with this topic, contact the USF SBDC at 813.905.5800. ■