

## **Differences between NWBOC's WBE & SBA's WOSB/EDWOSB Certification**

7/14/2011

NWBOC has been providing WBE certification for over 25 years. For the first time, we are adding a new service: we are now a third-party certifier for the SBA's federal purchasing program that has a set-aside for women business owners. The SBA's program is very specific in its scope, and its certification requirements are somewhat different than our WBE certification requirements. Therefore, we are providing the details of the differences between the two.

### ***Businesses Owned by Trusts:***

NWBOC: NWBOC accepts both irrevocable and revocable trusts as long as the woman is the sole trustee and sole beneficiary.

SBA: SBA accepts revocable trusts only – woman grantor must be the Trustee and the sole current beneficiary.

### ***Citizenship:***

NWBOC: Applicant's owner must be a U.S. citizen (born in the U.S. or naturalized) or permanent resident.

SBA: Applicant's owner must be a U.S. citizen only (born in the U.S. or naturalized).

### ***Business Operations:***

NWBOC: The woman owner must be active in the daily management of the business.

SBA: Daily business operations must be controlled by women. Control means that both the long-term management and administration of the business operations must be conducted by one or more women. Women must have managerial experience to the extent and complexity needed to run the concern. If a man possesses the required licenses and has an equity interest in the concern, he may be found to control the concern.

### ***Company Title:***

NWBOC: The woman owner must hold the highest office in the company.

SBA: The woman who holds the highest officer position must manage it on a full-time basis and devote full-time during normal working hours of business concerns in the same or similar line of business. She may not engage in outside employment that prevents her from devoting sufficient time and attention to the daily affairs of the concern to control its management and daily business operations.

### ***Corporate Board:***

NWBOC: The woman owner is entitled to appoint the majority of the Board of Directors. One or more women must own at least 51.0% (no roundups) of all voting stock.

SBA: The woman owner must control the Board of Directors. One or more women own at least 51% of all voting stock, are on the board and have the percentage of voting stock necessary to overcome any super majority voting requirements; or women comprise the majority of voting directors through actual number or, where permitted by state law, through weighted voting.

***ESOPs & Other Ownership:***

NWBOC: If a holding company is the owner of the applicant company, then the holding company must apply and be certified prior to the applicant company.

SBA: Ownership by ESOPs or another legal entity is ineligible to apply.

***NAICS Codes:***

NWBOC: All NAICS codes are accepted with no exclusions.

SBA: For this program, Applicant company must be engaged in a business defined by specific NAICS codes classified as underrepresented by SBA.  
([http://www.sba.gov/sites/default/files/files/gc\\_wosb\\_naics\\_grids.pdf](http://www.sba.gov/sites/default/files/files/gc_wosb_naics_grids.pdf) )

***Size:***

NWBOC: Applicant company may be of any size in sales volume or number of employees.

SBA: The companies with underrepresented NAICS codes as defined by SBA must also meet the size standards for the NAICS codes. Size is defined by gross sales or number of employees. The SBA size standards by industry can be found on the SBA website: [http://www.sba.gov/sites/default/files/Size\\_Standards\\_Table.pdf](http://www.sba.gov/sites/default/files/Size_Standards_Table.pdf) .

***Central Contractor Registration (CCR):***

NWBOC: Prior company registration in CCR is not required.

SBA: The company must register in CCR prior to applying.  
(<https://www.bpn.gov/ccr/default.aspx> )

***Finances:***

NWBOC: Financial records supplied by Applicant are kept confidential.

SBA: Applicants for the EDWOSB certification must post financials on a specified website.