REGIUM ACADEMY

Black-Owned Business Certification

Step-by-Step Guide to NMSDC, SBA 8(a), and State Programs — A Free Resource from Regium Academy

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There isn't one single, universal "Black-owned business" certificate issued by the federal government. Instead, several recognized certifications open different doors — some toward corporate contracts, some toward federal contracts, and some toward state and local government work. This guide covers the three main paths and how to pursue each one.

The Three Main Certification Paths

- **NMSDC MBE Certification (private, paid)** — issued by the National Minority Supplier Development Council. Recognized by major corporations for supplier diversity programs.
- **SBA 8(a) Business Development Program (federal, FREE)** — a 9-year program for small businesses owned by individuals who are socially and economically disadvantaged. Black Americans are presumed to meet the social disadvantage requirement.
- **State MBE certification (varies by state)** — issued by your state's minority business office; opens doors to state and local contracts.

Step-by-Step: NMSDC MBE Certification

NMSDC certification connects your business to corporate members who actively seek to spend money with minority-owned suppliers — including Fortune 500 companies.

Step 1: Confirm Your Eligibility

To be certified, your business generally must be:

- A for-profit business physically located in the U.S. or its territories
- At least 51% owned, operated, and controlled by one or more U.S. citizens who are members of a recognized minority group
- For the "Black-owned" classification specifically, the qualifying owner(s) must be at least 25% Black by ancestry, per NMSDC standards
- Ownership must be real, substantial, and continuing — meaning the owner(s) actually run day-to-day operations and make key decisions

Step 2: Find Your Regional Affiliate Council

NMSDC certifies businesses through a network of Regional Affiliate Councils across the country (for example, councils covering the Southeast, Midwest, Northeast, etc.). Visit nmsdc.org to locate the council for your area — that council handles your application.

Step 3: Create an Account & Complete the Online Application

Each owner claiming minority status will need to e-sign the application.

Step 4: Gather Your Documents

Typical requirements include:

- Proof of U.S. citizenship and proof of minority status for each qualifying owner
- Business formation documents and any operating agreements
- Proof of ownership percentages
- Financial statements and tax returns
- Lease or utility bill showing your business address
- Resumes or bios showing the owner(s)' role in daily operations

Step 5: Pay the Application Fee

NMSDC certification fees are typically scaled to your company's gross revenue, generally ranging from a few hundred to over a thousand dollars.

Step 6: Document Review, Interview & Site Visit

A reviewer will verify your documents and may conduct an interview or visit your business location to confirm that ownership and control are genuine.

Step 7: Certification Decision

Most complete applications are reviewed within 45–90 days. Once approved, certification is typically valid for one year and must be renewed annually with updated documents.

Step-by-Step: SBA 8(a) Business Development Program

The 8(a) program is one of the most powerful certifications available to Black business owners — and it's free. It's a 9-year program designed to help small businesses owned by socially and economically disadvantaged individuals compete for federal contracts.

Step 1: Confirm Social Disadvantage Status

SBA presumes the following groups are socially disadvantaged: Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and Subcontinent Asian Americans. If you belong to one of these groups, you generally don't need to separately document social disadvantage — though you'll attest to it.

Step 2: Confirm Economic Disadvantage

Each qualifying owner must generally have:

- Personal net worth under $850,000 (excluding equity in your primary home and the business itself)
- Average adjusted gross income of $400,000 or less over the last 3 years
- Total assets under $6.5 million

Step 3: Confirm Other Eligibility Requirements

You must also be a U.S. citizen, own and control at least 51% of the business, manage day-to-day operations, and (in most cases) have been in business for at least 2 years — though this can sometimes be waived.

Step 4: Have an Active SAM.gov Registration

As with WOSB, you'll need a valid UEI from SAM.gov before applying.

Step 5: Apply Through certify.sba.gov

The application is free and submitted online through the same MySBA Certifications portal used for WOSB. You'll upload financial documents, formation documents, and personal/business tax returns.

Step 6: Review & Approval

SBA reviews the application — this can take several months, so apply early and respond quickly to any requests for more information.

Step 7: Use Your 9 Years Wisely

Once certified, your business can compete for set-aside contracts and, in some cases, receive **sole-source contracts** (awarded without competition) up to roughly $4.5 million for services or $7.5 million for goods. The program also includes free business counseling and a Mentor-Protégé Program pairing you with an established company.

The Information Nobody Tells You

■ **8(a) certification is FREE**

Like WOSB, the SBA 8(a) program costs nothing to apply for. Be cautious of any company charging a fee to "get you certified" for 8(a) — the application itself is free through certify.sba.gov.

■ **NMSDC fees scale with revenue**

Smaller businesses pay less. If cost is a concern, ask your Regional Affiliate Council about fee structures before assuming it's out of reach.

■ **Stack your certifications**

There's nothing stopping you from pursuing NMSDC, 8(a), and your state's MBE certification at the same time. Many of the documents overlap, so once you've gathered them for one application, applying for the others takes much less effort.

State-Level Certification

Most states have their own minority business enterprise (MBE) certification programs, run through an Office of Minority Business Enterprise, Supplier Diversity, or similar agency. The general process:

- Find your state's certifying office (search "[your state] MBE certification").
- Create an account and complete the application — you can typically reuse documents gathered for NMSDC or 8(a).
- Submit your business formation documents, proof of ownership, financials, and proof of minority status.
- A reviewer may conduct a site visit; processing generally takes up to 90 days.
- Renew on your state's schedule (often every 1–3 years).

Because requirements and fees differ by state, always confirm current details directly with your state's certifying agency.