

# Diversity Certification: Good Business for Small Business

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WHAT Is Diverse Business Certification? WHY Is It Important?	Reminders & Common Issues
<ul style="list-style-type: none"> <li>• Certification of diverse status of business <i>owners</i></li> <li>• Levels playing field for historically underrepresented groups in business</li> <li>• Facilitates access to supplier diversity programs and set-asides for government contracts</li> <li>• Increases access to business support, such as training, networking and funding sources</li> <li>• Marketing tool to target consumers looking to support diverse businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Business must be 51% owned <i>and</i> controlled by diverse member</li> <li>• Single business can hold multiple certifications</li> <li>• Awarding equity to non-diverse investors may erode ownership and control</li> <li>• Failure to operate independently from a non-diverse business may prevent certification</li> <li>• Loss of certification if business or owner exceeds sales or income thresholds to be considered economically disadvantaged</li> </ul>

## Certification Authorities & Programs

- **Small Business Administration:** Federal contracts worth less than \$150,000 are set aside for small businesses and can be further set aside for specific certified businesses.
  - [Women-Owned Small Business Program](#): for both women-owned and economically disadvantaged women-owned businesses
  - [8\(a\) Small Business Program](#): owner is a member of a group considered economically and socially disadvantaged and meets the income and net worth requirements
  - [Service-Disabled Veteran-Owned Program](#): disability must be service-connected
- **Department of Veterans Affairs:** Veteran-owned businesses looking to contract with the VA must seek certification through the Vets First Verification Program.
- **National programs:** Nonprofit organizations that provide certifications sought by national and Fortune 500 companies such as Google, Apple, Kroger, Lowe's, Medtronic and L brands. These organizations tend to have a form of reciprocity allowing a business to "fast track" its certification with the other organizations. Benefits include networking, supplier matchmaking events, education and access to funding sources.
  - [National Minority Supplier Development Council](#)
  - [National Veteran Business Development Council](#): certification of both veteran-owned and service-disabled veteran-owned businesses
  - [Women's Business Enterprise National Council](#) and [National Women Business Owners Corporation](#)
  - [National LGBT Chamber of Commerce](#): certification provides free membership to affiliate chambers on the state level

- **State programs:** State of Ohio programs are administered by either the Department of Administrative Services or Ohio Department of Transportation and provide access to education and funding sources.
  - [Minority Business Enterprise Program](#)
  - [Encouraging Diversity, Growth and Equity Program](#)
  - [Veteran-Friendly Business Enterprise Program](#)
  - [Women-Owned Business Enterprise Program](#)
  - [Disadvantaged Business Enterprise Program](#)
- **City/municipal programs:** Most of these programs have reciprocity or will fast track certification if already awarded state certification.
  - [Cincinnati](#): MBE and WBE certifications
  - [Cleveland](#): MBE, FBE, and LGBTBE certifications
  - [Columbus](#): M/WBE and VBE certifications

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