

Legal Brief



Certifying Success: Boost Your Business by Obtaining a Women Business Enterprise Certification

Many women-owned businesses overlook an invaluable avenue for generating new contracts and marketing the business. That avenue is a certification as a women business enterprise ("WBE"). A WBE certification opens the door for women-owned businesses to contract with governmental entities that set aside certain contracts, particularly for WBEs. A WBE certification also appeals to many companies that have diversity supplier programs. Additionally, while outside the scope of this article, there are unique grant and financing opportunities available for WBEs.

What is a "women business enterprise?" Generally, it is an enterprise that is owned and controlled by a woman or women. Particular standards for WBE certification may vary, however, between the federal, state, and public or private company levels.

Federal Certification

The federal government must award 5 percent of its prime and subcontract dollars to WBEs and is also permitted to set aside certain contracts for WBEs. The U.S. Small Business Administration ("SBA") administers the federal WBE program. Federal agencies negotiate with the SBA to set goals for the use of small businesses, including WBEs.

For federal WBE certification, a business must be owned and controlled at least 51 percent by a woman or women who are U.S. citizens, be managed by a woman or women, and be small for its industry.

A business can "self-certify" with the SBA by: 1) certifying that the business meets the WBE requirements; and 2) submitting supporting documentation. Supporting documentation includes proof of U.S. citizenship; copies of corporate formation documents and amendments, if any; and internal operating agreements. Other corporate documents may be requested. The SBA also has third-party certifiers through which businesses can seek certification.

State Certification

In Pennsylvania, the Bureau of Minority and Women Business Opportunities ("BMWBO") certifies businesses as WBEs. The BMWBO maintains a searchable database of certified WBEs that can be utilized by state agencies to locate WBE suppliers. To obtain a state WBE certification, a business must meet the following requirements:

- It must be owned 51 percent or more by a woman or women;
- A woman must hold the highest position in the company;
- It must be a small business (no more than 100 employees);
- It must have been in business for a least a year or have an approved two-year business plan;
- It must be independent of other business entities;
- It must be for-profit; and
- It must provide the goods and/or services for which the business is being certified.

The application process for state WBE certification is outlined on the Bureau's website and is similar to the federal certification process. Once an application for state WBE certification is approved, it is valid for two years.

Non-Governmental Certification

Many companies voluntarily adopt diversity supplier programs because they believe it is beneficial for their distribution chains to reflect the diversity of their customer pools. In most programs, companies aim to purchase certain amounts of goods and services, or to spend certain dollar amounts purchasing goods and services, from minority businesses, including WBEs.

Numerous entities can certify a business as a WBE for purposes of non-governmental contracting. The Women's Business Enterprise National Council ("WBENC"), which is also a third-party certifier for the

SBA, provides a nationally recognized WBE certification program. A partner organization, the Women's Business Enterprise Council (the "WBEC"), provides certifications for businesses in Pennsylvania, Delaware and New Jersey.

The WBEC's certification is recognized nationally by many corporations, nonprofits and government agencies. Like other certification bodies, the WBEC maintains a searchable database of WBEs for use by companies looking for suppliers. The WBEC also holds marketing events and trade shows for its certified WBEs.

WBEC's application process typically takes 60 to 90 days and begins with the submission of an application through the WBEC website, wbecouncil.org.

If you have questions regarding WBEs or the certification process, please contact Jennifer Hirneisen, Jenna Bickford, or any MacDonald, Illig, Jones & Britton LLP attorney with whom you have worked at 814/870-7600.

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