

## Small Business (SB) Eligibility Requirements & Support Documents

In order for a small business to be eligible for certification, the small business must meet the following requirements:

- Be independently owned and operated;
- Not dominant in field of operation;
- Principal office located in California;
- Owners (officers, if a corporation) domiciled in California; and,
- Including affiliates, be either,
  - A business with 100 or fewer employees; an average annual gross receipts of \$15 million or less, over the last three tax years;
  - A manufacturer\* with 100 or fewer employees; or,
  - A microbusiness. A small business will automatically be designated as a microbusiness, if gross annual receipts are less than \$5,000,000; or the small business is a manufacturer with 25 or fewer employees.

\* For Small Business Certification purposes, a manufacturer is a business that is both of the following:

1. Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
2. Classified between Codes 31 to 339999, inclusive, of the North American Industrial Classification System (NAICS) Manual, published by the United States Census Bureau, 2007 edition.

## Small Business (SB) Certification Support Documents

### 1. Expedited Processing:

- Applicants that require this certification for a bid must provide a copy of the bid solicitation page identifying the state agency (or reciprocity partner), contract name, and Bid Due Date (BDD).

### 2. First Time Applicants must provide:

- Internal Revenue Service (IRS) official documentation verifying the firm's Federal Employer Identification Number (FEIN) or Social Security Number(SSN)

### 3. All SB Applicants must provide:

- Gross Annual Receipts: Federal Income Tax Returns for the applicant business (and each affiliate business, if any) for the three most recently completed tax years (or for the number of years in business, if less than three)
  - Include all pages, forms, schedules, and statements for each tax return.
- **Exceptions:**

- New businesses without applicable business tax returns must provide the Business Start Date as requested within the application, but will only provide tax returns when requested.
- If the most recent tax return has not been prepared, complete and submit the [Affidavit of Income \(AI\) form](#). Include the IRS tax extension, if applicable. Follow the instructions on the form.

**4. If Applicable, provide:**

- **Employee Count:** Quarterly Contribution Return & Report of Wages – Continuation (Form DE 9C) for the applicant business (and each affiliate, if applicable) for the four most recently completed quarters (or for the number of quarters in business, if less than four). Provide copies of out-of-state and/or out-of-country documents equivalent to Form DE 9C, if applicable.
- Trust agreement and amendments, if ownership is held by a trust
- Franchise agreement and amendments, if any

**SB Corporations:**

- Statement of Information as filed with California Secretary of State or Corporate meeting minutes listing current elected corporate officers and directors

**SB Limited Liability Companies (LLCs):**

- Articles of Organization
- Operating Agreement and amendments
- LLC Statement of Information, as filed with the California Secretary of State

**SB Joint Ventures (JVs) – Applications are certified on a bid-by-bid basis:**

- Each joint venture partner must be certified as a Small Business.
- Provide the bid solicitation for the specific project the JV is bidding.
- Provide the Joint Venture agreement for the specific project.

**ADDITIONAL SUPPORT DOCUMENTS THAT MAY BE REQUESTED BY OSDS**

If you have any questions regarding the Small Business Certification eligibility requirements and benefits, please contact OSDS at [OSDSHelp@dgs.ca.gov](mailto:OSDSHelp@dgs.ca.gov) or (916) 375-4940.