

# Veteran Small Business Certification Program: Common Compliance Pitfalls



The Small Business Administration's Veteran Small Business Certification Program allows service-disabled veteran-owned small businesses (SDVOSBs) to compete for federal sole-source and set-aside contracts with any federal agency and for certified veteran-owned small businesses (VOSBs) to pursue sole-source and set-aside contracts from the U.S. Department of Veterans Affairs under its Vets First program. Participation in the VOSB/SDVOSB program, however, comes with continuing requirements to maintain certification. This guide covers basic compliance requirements participants should be aware of.

## New SDVOSB Certification Requirements

1. Effective October 1, 2024, each prime contract award and subcontract award counted for the purpose of meeting the goals for participation by SDVOSBs in procurement contracts for federal agencies or federal prime contractors must be entered into with firms certified by VetCert.
2. Concerns can no longer self-certify their SDVOSB status and be counted towards contracting goals for prime contract or subcontract awards that are not SDVOSB set-aside or sole-source contracts.
3. Concerns that apply for certification by December 22, 2024 may continue to self-certify for such federal government contracts and subcontracts until SBA makes a final decision.

## Certification and Suspension & Debarment

1. In order to be eligible for VOSB/SDVOSB certification and to remain certified, a concern and any of its owners must not have an active exclusion in SAM. An applicant or participant is required to immediately notify SBA of any active exclusion. A suspension will result in SBA proposing the concern for decertification and debarment will result in immediate decertification.
2. The SBA may also suspend or debar a person or concern for misrepresenting a firm's status as a VOSB/SDVOSB concern.
3. Submission of a bid, proposal, application or offer for a federal grant, contract, subcontract, cooperative agreement, or cooperative research and development agreement reserved, set aside, or otherwise classified as intended for award to VOSB/SDVOSBs as well as registration on any federal electronic database for the purpose of being considered for award of any of the above are considered affirmative, willful, and intentional representations of VOSB/SDVOSB certification.

## Ongoing Compliance Obligations

1. Once certified, a VOSB/SDVOSB must notify SBA of any material changes that could affect its eligibility within 30 calendar days of any such change and confirm its continued eligibility.
2. Material changes include, but are not limited to, a change in the firm's ownership, business structure, or control, filing of bankruptcy, or change in active duty status.
3. SBA has the right to conduct an investigation to verify the accuracy of any statement or information provided by a certified VOSB/SDVOSB on a random, unannounced basis, or upon receipt of specific and credible information alleging that a participant did not or no longer meets the program eligibility requirements.