

Division of Small and Minority Business Contracting and Certification: Entrepreneurship 101



Presenter: Garry James, Director

Entrepreneurship 101

Webinar Goals

1. To promote the development and growth of Small, Minority and Women-owned businesses in the state of South Carolina.
2. To provide “free” resources that are readily available to both existing and aspiring business owners which will assist them in the development of their businesses.

How to Start a Business in South Carolina

South Carolina Business One Stop – www.scbos.sc.gov

1. Decide what business structure is best for your business.
2. Register your business with the South Carolina Secretary of State (if applicable).
3. Obtain Employer Identification Number (EIN).
4. Register with the SC Department of Revenue (if applicable)
5. Obtain local business license and collect/remit local taxes.
6. If your business has employees, follow the 4 step checklist regarding withholdings, verifications, insurance, and reporting.
7. Business Filings and Payment Obligations

**Please visit the SC Business One Stop for further explanation!*

Small and Minority Business Contracting & Certification (SMBCC)

State Contracting Certification

History: Article 21

-1981 Act No. 148, Section 1; 1979 Act No. 153, Section

- This is a certification for business owners that want to bid on solicitations with state government agencies.
- A certification for South Carolina businesses that are owned, managed and controlled by socially and economically disadvantaged business owners (i.e. minorities & women).
- SMBCC certification **does not** provide loans, grants or guaranteed award of contracts associated with obtaining certification.

Note: Business **must have** an physical location (office) in South Carolina.

SMBCC: Minority Business Enterprise (MBE) Certification

Must be in business for a minimum of one year

51% ownership must have management responsibilities

Personal total net worth cannot exceed \$750,000

Must have an office in South Carolina

If denied for any reason, the employer can reapply one year later

MBE Certification is valid for 5 years

Article 21 Goals for State Procurement

- State agencies goals are to award **10%** of their annual budget ('controllable' dollars) to MBE/WBE businesses.
- This is conducted through each agencies procurement departments.
- **Tax Credit Incentive** – A 'prime contractor' who is awarded a contract can sub-contract a portion of the contract that they were awarded to a certified minority firm (MBE/WBE) business.
 - This will allow the 'prime contractor' to become eligible for an income tax credit equal to 4% of the total amount that they awarded to the MBE/WBE business up to \$50,000 annually.

Small and Minority Business Contracting & Certification

How To Apply for the MBE or WBE certification:

1. Visit our website at:

www.smbcc.sc.gov/smbcc

2. Completed **Certification Application** and 14 item **Documentation Checklist.**

The documentation checklists requests items such as: tax returns, personal financial statements, organizational charts, etc.

SMBCC: MBE & WBE Certification

Application Process

1. Your application is submitted to the office with other required documents from checklist.
2. The application is then reviewed by SMBCC staff to ensure applicant meets the certification criteria.
3. The application requires a signed and notarized Affidavit.

SMBCC: MBE & WBE Certification

Application Process

4. Once the application has been reviewed and the employer meets the certification criteria, a **site visit** is scheduled at their business location.
5. If a business is approved for MBE/WBE Certification, they are sent an approval letter and a certificate.
5. The certification is valid for 5 years.
6. The application process can take up to 45 days to complete based upon timely submission of required information.

Examples of Items Purchased by State Government Agencies

- Office Supplies
- Janitorial Services & Supplies
- Contracting/Construction related services
- Heating & Air
- Roofing services

Benefits of the MBE & WBE Certification

- ✓ Networking Opportunities
- ✓ State Solicitations
- ✓ Annual Trade Fair
- ✓ SMBCC Newsletters
 - Member Spotlight
- ✓ Regional Workshops/Seminars



Department of Transportation (DOT) (*Federal Contracts*)

The Department of Transportation offers opportunities for businesses to bid on repair projects such as roads, bridges, and interstates through their **Disadvantaged Business Enterprise (DBE)** certification.

They also offer a certification specifically related to doing business with South Carolina airports which is called the **Airports Concessions Disadvantaged Business Enterprise (ACDBE)** certification.

The **ACDBE** allows businesses to bid on solicitations with concessions at airports and other related projects.

Memorandum of Understanding between the SMBCC and the Department of Transportation

The SMBCC has a memorandum of understanding with the Dept. of Transportation.

This MOU allows a business owner to complete the DOT application and simultaneously request to be certified with the SMBCC (based on approval of application).

The significance is that business owners only need to complete (1) application as opposed to (2).

Benefits of the Department of Transportation Certification

- Solicitations
- Training
- Marketing Assistance
- Technical Assistance

Department of Transportation

Resources

Gary Linn, Program Manager for certifications
(803) 737-4672

Paula Hollis, Business Development Manager
(803) 737-1663

<http://www.scdot.org/doing/businessDevelop.aspx>

Small Business Administration (SBA)

Certifications & Loans

The SBA has several business certifications for small businesses related to contracting:

- **8(a) Business Development Program**
 - Compete against other 8(a) companies for set-aside contracts.
- **HUBZone**
 - For businesses located in economically distressed communities
- **Service-Disabled Veteran-Owned Small Business (SDVOSB)**
- **Women-Owned Small Business (WOSB)**
- **Small Disadvantaged Business (SDB)**

Small Business Administration (SBA)

The SBA also offers assistance with business registration in the government's System Award Management (SAM) system which is where other government contracts are located.

The SBA also offers businesses:

- District Office and Regional Offices for accessibility and support
- Business start-up resources
- Training on government contracting
- Small Business Advocacy

Small Business Administration *Contacts*

Michael Corp, Lead Business Opportunity
Specialist

(803) 765-5961

Carl Faison, Business Opportunity Specialist

(803) 253-3116

www.sba.gov/sc

South Carolina Small Business Development Centers (SBDC)

The South Carolina Small Business Development Centers offers free consultation to small businesses in **21 locations statewide**. They provide assistance with the following:

- Business Plan development
- Strategic Planning
- Developing Standard Operation Procedures
- Assisting businesses with developing financial pro-forma
- Assisting with self-assessments
- PTAC's – assist with understanding how to bid on solicitations

Find an SBDC office near you!

- Visit their website at:

www.scsbdc.com (choose a location near you)

South Carolina Small Business Development Centers

State Director's Office

1014 Greene Street

Darla Moore School of Business

University of South Carolina

Columbia, SC 29208

Michele Abraham, Director

Call: 803.777.4907

South Carolina SCORE

The **SCORE** organization connects business owners with mentors and provide several valuable resources such as:

- Workshops
- Library of business related resources
- Free tools, templates, and business tips
- Assistance with starting and growing businesses



SCORE

Contact Information

[1-800-634-0245](tel:1-800-634-0245)

help@score.org

www.score.org

Guides for People with Disabilities

- Small Business Administration: Starting and Managing a Business: People with Disabilities

<https://www.sba.gov/starting-business/how-start-business/business/-types/people-disabilities>

- Disability.gov Guide to Self-Employment and Starting a Small Business

<https://www.disability.gov/resource/disability-govs-guide-self-employment-starting-small-business/>



Office of Small and Minority Business Contracting & Certification

Garry James, Director
(803) 734-0507
garry.james@admin.sc.gov

Ron Boone, Administrative Assistant
(803) 734-5010
ronald.boone@admin.sc.gov

QUESTIONS???

