

MINORITY BUSINESS ENTERPRISE

CERTIFICATION APPLICATION

**Wisconsin Department of Commerce
Bureau of Minority Business Development
P. O. Box 7970
Madison, WI 53707**

608/267-9550



CERTIFICATION APPLICATION

The following is the application for Minority Business Enterprise (MBE) certification with the Wisconsin Department of Commerce. All questions must be answered. Please type or print clearly. Clearly 'X' the box of your choice: → .

Questions that do not apply to your firm should be marked N/A in the space provided.

On page 7 is a checklist of specific documents pertinent to the business that must be submitted along with the application. Please include these documents to avoid processing delays. If you have additional documentation that will show your business is eligible for certification, attach it to your application.

The Affidavit on page 8 must be signed, notarized by a Notary Public and returned with the complete application.

Please be prepared to provide access to your business facilities and key personnel during this review. An on-site visit by our certification consultant may be scheduled if necessary.

Please return the completed application with signature and required notarization to the address below:

**Certification Consultant
Department of Commerce
Bureau of Minority Business Development
P. O. Box 7970
Madison, WI 53707
608/267-9550**

*If you desire to send via an **Express Courier** our street address is:*

201 West Washington Avenue
Madison, WI 53703

MINORITY BUSINESS DEFINITION

A Minority Business Enterprise is a business that is at least 51 percent owned, controlled and actively managed by minority group members who are United States citizens or persons lawfully admitted to the U. S. for permanent residence. The business must currently be performing a useful business function. A useful business function is one which results in the the provision of materials, supplies, equipment or services to consumers in addition to this state. A business acting as a conduit to transfer funds to a non-minority business does not constitute a useful business function unless doing so is a normal industry practice. A minority group member is one of the following:

- a. **AMERICAN INDIAN** means a person who is enrolled as a member of a federally recognized American Indian tribe or band, and who possesses documentation of at least one-fourth American Indian ancestry, and documentation of tribal recognition as an American Indian;
- b. **ASIAN-INDIAN** means a person whose ancestors originated in India, Pakistan or Bangladesh;

- c. **BLACK** means a person whose ancestors originated in any of the black racial groups of Africa;
- d. **HISPANIC** means a person of any race whose ancestors originated in Mexico, Puerto Rico, Cuba, Central America or South America or whose cultural origin is Spanish.
- e. **ASIAN-PACIFIC** means a person whose ancestors originated in Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U. S. Trust Territories of the Pacific or the Northern Marianas.
- f. **Native Hawaiians and Polynesians;**
- g. **Eskimos;** and
- h. **Aluets.**

**CONTINUE ON
INSIDE BACK PAGE**

OWNERSHIP AND CONTROL

“Owned and controlled” means:

- A. A sole proprietorship legitimately owned by an individual who is a minority person;
- B. A corporation, a limited liability corporation, a partnership or joint venture controlled by minority persons and in which at least 51 percent of the beneficial ownership interests are legitimately held by minority persons, and in which at least 51 percent of the voting interests are legitimately held by minority persons.
 - 1. The minority ownership’s interest in the firm must be real, substantial and continuing. Such interest may include:
 - a. A risk of loss/share of profit commensurate with the proportional ownership; and
 - b. Receipt of the customary incidents of ownership, such as salary and/or intangible benefits.
 - 2. A minority owner must have and exercise the authority to independently control the business. The minority owner need not be continually present to be deemed in control. Characteristics of control may include:
 - 3. Authority to sign bids and contracts
 - a. Making decisions in price negotiations;
 - b. Incurring liabilities for the firm;
 - c. Making final staffing decisions;
 - d. Policy-making; and
 - e. Making general company management decisions.
 - 4. Only those firms performing a useful business function according to custom and practice in the industry are qualified as MBEs. Acting merely as a passive conduit of funds to some other, non-minority firm where such activity is unnecessary to accomplish the project does not constitute a “useful business function according to custom and practice in the industry.”

The minority owners shall also possess the power to direct or cause the direction of the management and policies of the firm and to make day-to-day as well as major decisions on matters of management, policy and operations. The firm shall not be subject to any formal or informal restrictions which shall limit the customary discretion of the minority owners. There shall be no restrictions through, for example, by-laws provisions, partnership agreements, or charter requirements for cumulative voting rights or otherwise that prevent the minority owners, without the cooperation or vote of any owner who is not a minority for making a business decision of the firm.

If the owners of the firm who are not minorities are disproportionately responsible for the operation of the firm, then the firm is not controlled by minorities and shall not be considered an MBE within the meaning of this definition. Where the actual management of the firm is contracted out to individuals other than the owner, those persons who have the ultimate power to hire and fire the managers, can, for the purpose of this definition be considered as controlling the business.

All securities which constitute ownership and/or control of a corporation for the purposes of establishing it as an MBE shall be held directly by minorities. No securities held in trust, or by a guardian for a minor, shall be considered as held by a minority in determining the ownership or control of a corporation.

The contributions of capital or expertise by the minority owners to acquire their interests in the firm shall be real and substantial.



CERTIFICATION PROGRAM

PURPOSE:

To increase the opportunity for minority firms to sell their products and services to the State of Wisconsin. The Wisconsin Act 390 says that a certified minority business is eligible for a 5 percent bid preference. This means that the certified bidder must be within 5 percent of the lowest qualified responsible bidder. The Wisconsin Department of Administration monitors state agencies' compliance with the purchasing guidelines, which have been established for minority business procurement through this Act.

The Wisconsin Department of Commerce certifies firms for eligibility to participate in the state's minority business bid preference program.

The bid preference program does not apply to printing firms, but they are encouraged to become certified so that agencies can procure printing order from minority vendors to meet their purchasing goal.

BENEFITS:

- At least 5 percent of state purchasing and contracting under the 1983 Wisconsin Act 390 is target for certified minority-owned businesses.
- Certified minority-owned firms are eligible for a low-bid waiver as long as their bid is no higher than 5 percent of the lowest qualified responsible bidder.
- Certified minority-owned firms are eligible for technical and marketing assistance, including participation in Marketplace, which is an annual statewide minority business marketing conference, sponsored by the Department of Commerce.
- Certified minority-owned firms are eligible to be listed in the State of Wisconsin's Directory of Minority-Owned Businesses which is available online.

ELIGIBILITY:

A minority owned business (sole-proprietorship, partnership, corporation or joint venture) must meet the following criteria:

- Belong to a minority group: Native American, Black, Hispanic, Asian Indian, Asian Pacific, Aleut, Eskimo or Native Hawaiian;
- At least 51 percent owned, controlled and actively managed by minority group members;
- Serving a "useful business function" and have customers other than the State of Wisconsin;
- Business must be at least one (1) year old under current ownership.

HOW TO APPLY:

Applications and additional information are available by calling the Bureau of Minority Business Development at 608/267-9550.

Complete an application for certification (DD400) and provide required documentation (ethnic status of minority owner(s), financial records, on-going business activity, etc. . .).

Provide access to its business facilities and key personnel for the state certification consultant's on-site visit, if necessary.

WHERE TO APPLY:

Submit completed applications to:

**Certification Consultant
Department of Commerce
Bureau of Minority Business Development
P. O. Box 7970
Madison, WI 53707**

608/267-9550