

## CONTENTS

1. [Welcome](#)
2. [Introduction](#)
3. [Eligibility Requirements](#)
4. [How The HUBZone Program Determines HUBZone Eligibility](#)
5. [Starting the Electronic Application Process](#)
6. [The Electronic Application](#)
  - a. [Section A – Location in Qualified HUBZone](#)
  - b. [Section B – General Business Information](#)
  - c. [Section C – Ownership and Control](#)
  - d. [Section D – Financial Information](#)
  - e. [Section E – HUBZone Employment Statement](#)
  - f. [Section F – Affiliation](#)
  - g. [Notice of Verification](#)
7. [Completing the Application Process](#)
8. [CFR Regulation Link Site](#)
9. [Glossary](#)
10. [Confidential and Security considerations](#)

### 1. Welcome

Welcome to the HUBZone Program Application Guide and thank you for your interest in applying for certification as a qualified HUBZone Small Business Concern. As you will notice, firm, business or company will be referenced throughout this document as an “SBC” or simply as a “concern.” This guide has been prepared to assist you with the application process. If you meet the eligibility requirements, the program offers excellent opportunities for your firm to participate in the Federal marketplace. It also offers your concern a unique opportunity to contribute to empowerment, economic development, and job growth in underserved communities. The HUBZone Program is “creating jobs where they are needed most.”

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## 2. Introduction

SBA's HUBZone Program is in line with the efforts of both the Administration and Congress to promote economic development and employment growth in distressed areas by providing access to more Federal contracting opportunities. The final rule for the HUBZone Program was published on June 11, 1998, [63 FR 31896](#). The final Federal Acquisition Regulation was published on September 24, 1999 at [64 CFR 51830](#). Both documents have experienced updates since those issued dates. The embedded links in the application access the more recent versions.

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## 3. Eligibility Requirements

To be eligible for the program a concern, except tribally-owned concerns, must meet ALL of the following criteria, at the time of application:

- It must be a small business by SBA standards;
- It must be owned and controlled at least 51% by U.S. citizens, wholly owned or owned in part by one or more Indian Tribal Governments or by a corporation that is wholly owned by one or more Indian Tribal Governments; an ANC owned and controlled by Natives or a direct or indirect subsidiary corporation, joint venture, or partnership of an ANC; wholly owned or owned in part by a CDC; or a small agricultural cooperative or a small business concern wholly owned or owned in part by one or more small agricultural cooperatives;
- Its principal office must be located within a “Historically Underutilized Business Zone,” which includes lands considered Indian Country and military facilities closed by the Base Realignment and Closure Act; and
- At least 35% of its employees (total workforce regardless of where the employees work) must reside in a HUBZone. To fulfill the requirement that 35% of a HUBZone firm’s employees reside in the HUBZone, employees must live in a primary residence within that area for at least 180 days or be a currently registered voter in that area.

Existing businesses that choose to move to qualified areas are eligible. However, they must have moved their principal office to a qualified HUBZone area prior to submitting an application.

### **Locations of HUBZones**

The statute establishing the HUBZone Program directs the SBA to rely upon definitions provided by other Federal agencies to determine which areas qualify as HUBZones. Generally speaking, these determinations are arrived at after the collection of either income or employment data, and that data forms the basis for the calculations cited below.

#### **A HUBZone may be one of the following:**

**A Qualified Census Tract.** The definition for Qualified Census Tract is based on an Internal Revenue Service provision for the Low Income Housing Tax Credit program that is developed in conjunction with the U.S. Department of Housing and Urban Development (HUD). The Secretary of HUD designates Qualified Census Tracts by a notice published periodically in the Federal Register. Information on how data is compiled for the Qualified Census Tracts designation is available on the web at <http://qct.huduser.org>

**A Qualified Nonmetropolitan County.** The definition for Qualified Nonmetropolitan County is any county that, based on the most recent data available from the U.S. Census Bureau, is not located in a metropolitan statistical area and in which the median household income is less than 80 percent of the median household income for the entire non-metropolitan area of a state and/or any non-metropolitan county that, based on the most recent data available from the Bureau of Labor Statistics (BLS), has an unemployment rate that is not less than 140 percent of the state average unemployment rate or the national average unemployment rate. In addition, it includes any county not located in a metropolitan statistical area that contains a difficult development area outside of the 48 contiguous states.

The definition of Difficult Development Area is similar to Qualified Census Tract in that it is based on an Internal Revenue Service provision for the low income housing tax credit program that is developed in conjunction with the U.S. Department of Housing and Urban Development (HUD). (NOTE: By virtue of legislation signed into law on Aug. 10, 2005, the application of the Difficult Development Area status for HUBZone consideration only applies to Alaska, Hawaii, and the U.S. territories and possessions, not the 48 contiguous states.) The Secretary of HUD designates Difficult Development Areas by a notice published periodically in the Federal Register.

- Information on decennial census data used to determine the household income is available on the web at <http://www.census.gov>

- Information in the local employment data used to determine the unemployment element is available on the web at <http://www.bls.gov/lau/home.htm>
- Information on how data is compiled for the Difficult Development Area designation is available on the web at <http://qct.huduser.org>

**A Qualified Indian Lands.** The definitions for Qualified Indian Lands, which include lands covered by the phrase Indian Country, are those established and used by the Bureau of Indian Affairs. There is one exception, which applies to portions of the state of Oklahoma where HUBZone is using a definition arrived at by the Internal Revenue Service.

- Information on Native American reservations and related information is available on the web at <http://www.doi.gov/bureau-indian-affairs.html>
- Information on the Internal Revenue Service description for former Indian Reservations in Oklahoma is available on the web at <http://www.irs.gov/newsroom/article/0,,id=99491,00.html>

**A Qualified Base Closure Area** closed by the Base Realignment and Closure Act (BRAC). Congress determined that former military bases closed because of BRAC qualify for HUBZone status for a five-year period from the date of formal closure.

**Redesignated Areas** means any census tract or any non-metropolitan county that ceases to be a qualified HUBZone, except that such census tracts or non-metropolitan counties may be “redesignated areas” only until the later of:

- (1) The date on which the Census Bureau publicly releases the first results from the 2010 decennial census; or
- (2) Three years after the date on which the census tract or non-metropolitan county ceased to be so qualified.

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## 4. How The HUBZone Program Determines HUBZone Eligibility

You **must** submit an electronic application to be certified as a qualified HUBZone SBC. We estimate that it will take you about one hour to complete this application. Before you start, you

should have the following information at hand, which SBA will require you provide **after** you have submitted your application:

- **For Corporations:** Corporate Bylaws and any amendments; Executed Stock Certificates (front & back); Stock Ledger or Register (This ledger or register should summarize all stock actions taken from issuance through transfer and or cancellation;
- **For Limited Liability Company(s):** copy of the firm's Articles of Organization along with the certificate with the SOS seal; Operating Agreement and any amendments; Certificate of Good Standing;
- **For Partnerships:** Partnership Agreement and any amendments;
- **For Sole Proprietors:** Personal Tax Returns;
  
- **Documents required for all applicant firms to determine ownership and control:**
  - Certificate of Good Standing (This certificate can be obtained by contacting your applicable Secretary of State office; DBA (Doing Business As) Certificate, if applicable. If this document is not applicable, please note as such in writing. Failure to provide a response to this request will cause a delay in the processing of the application;
  - **Business Tax Returns:** Provide Federal Business Income Tax Returns for the applicant firm AND all of its affiliates identified in the application for the most recently available previous 3 years; **NOTE EXCEPTION:** Firms with a primary NAICS code which requires that the Small Business size determination be based on employees (vs. revenue) need only provide the most recently available yearly Federal Business Tax Return;
  - **Personal Tax Returns for significant owners:** Provide Federal Personal Income Tax Returns for the most recently available year for ALL owners of the firm who have 20% or more ownership of the firm, including all attachments and schedules. Also provide W2's for all individuals listed on the return. Please Note: If no one individual owns 20% or more, then the Personal Tax Returns need to be provided for each individual with ownership;
  - **Proof of US Citizenship for owners:** Provide any ONE of the following documents for enough firm owners who are US Citizens to demonstrate that the applicant firm is at least 51 percent owned and controlled by United States citizens: (Do NOT send Social Security cards.)
    - Birth certificate

- Current valid U.S. Passport
  - Certificate of Naturalization
- Information on any current bonding arrangements through a company or individual not formally recognized as a surety provider;
- Information on any non-bank lender(s) who provides credit to the firm (should cover name and citizenship of creditor, and amount owed);
- Information (name, address, kind of business etc.) about any other businesses that the owners, directors, or officers of your business own or manage; and,
- Special licenses
- **Other key ownership related documents:** If your firm is a member of a franchise, provide a copy of the Franchise Agreement. If your firm is owned in part by an ESOP or Trust, provide a copy of the ESOP plan or Trust Agreement. If the firm has no such agreements; please indicate in writing that none of the above is applicable.
- **Principal Office documents:** Lease/rental agreement/deed and utility bill that covers the period of time including the electronic verification of your application. Examples include gas, electric, water, sewer or landline telephone. Cellular phone bills are NOT acceptable. If utilities are included with the rent and you cannot provide a land-line telephone bill, you must provide evidence that utilities are included with the rent, e.g., lease/rental agreement or signed affidavit from lessor indicating this is the case. Employee list that list employees that work for the firm at the time of electronic verification, including paid or unpaid owners, salaried or hourly-wage employees, and temporary workers. This listing must include for each individual:
  - Complete name of each employee and their primary work location, e.g., Principal Office, other firm location, OR jobsite – If the individual works at more than one location, select the location where the individual spends the single greatest portion of their time. (As an example, if an employee works 16 hours per week at the “Principal Office,” 12 hours per week at an “other firm location,” and 12 hours per week at a “job site,” specify the Principal Office as the primary work location.)
    - **NOTE:** Except for certain concerns owned by Indian Tribal Governments, all other small businesses must have a principal office

located in a qualified HUBZone. Firms that are owned in whole or in part by Indian Tribal Governments or corporations wholly owned by Indian tribal Governments, at the time of application, must either:

- Maintain a principal office located in a HUBZone and ensure that at least 35% of its employees reside in a HUBZone; or
  - Certify that when performing a HUBZone contract, at least 35% of its employees engaged in performing that contract will reside within any Indian reservation governed by one or more of the Indian Tribal Government owners, or reside within any HUBZone adjoining such Indian reservation. A HUBZone and Indian reservation are adjoining when the two areas are next to and in contact with each other; and
  - The concern will “attempt to maintain” the applicable employment percentage stated above during the performance of any HUBZone contract it receives.
- **Payroll records to determine the number of the firm’s employees:** Copy of your firm’s official payroll record from a time period which covers the date of electronic verification and shows at a minimum the employee’s name, number of hours worked for that pay period, and wages with taxes and adjustments. (Salaried employees who do not have hours worked specified are assumed to work 40 hours per week.) This payroll record must clearly show the pay period’s beginning and end dates, not just the pay date. Do NOT submit a combined summary of all the pay periods. Each pay period will need to be provided on a separate payroll record.

Note that in order for us to consider a person working for your firm to be an employee, we must have evidence from your payroll records that the person works at least 40 hours in a month’s time. All payroll records submitted must be for the time of electronic verification and PRIOR. For any employees working less than 40 hours in the payroll period which includes the date of electronic verification, you must also provide enough immediately previous payrolls to demonstrate that those employees work at least 40 hours in a month’s time. As an example, if you have a weekly payroll system and an employee who works 10 hours the week of electronic verification, you would need to provide the 3 previous weekly payrolls in order to demonstrate that the person works 40 hours per month for a total of 4 weekly payrolls. The latest of these 4 contiguous payroll periods should include the date of application submission. Failure to provide payroll records meeting the above described requirements is a common cause of application denial – please review your payroll documents carefully and address any deficiencies before submission;

- **Most recently available state unemployment tax filing** and the most recently available federal employment quarterly report (Form 941- Employer's Quarterly Federal Tax Form). The state unemployment report must include the employee listing supporting the summary of wages;
  
- **HUBZone maps of HUBZone residents' addresses to determine residency:** Copies of the HUBZone Map to verify each HUBZone employees' residence is in a HUBZone. In order to provide the HUBZone map for each employee, select the following link: <http://map.sba.gov/hubzone/maps/>. You will then enter the physical address for EACH HUBZone employee. Please print the page using the Print page option at the top of the screen. Please print the page exactly as it is displayed including the personal address for each individual. Altering the HUBZone Map or not providing the entire printout will make the document invalid. Please write legibly the employee's name at the bottom of each map. Provide a printed map for EACH employee - do NOT provide one locator for multiple employees.
  
- **Identification/proof of residence for HUBZone residents:** Copy of a VALID (unexpired) Department of Motor Vehicles driver's license, Department of Motor Vehicles Identification card, or voter's registration card for each of the firm's HUBZone resident employees. Do NOT send Social Security cards. The copy must be legible and show the employee's full name and address. If the address listed is no longer valid or is a PO Box, you must also provide a copy of a current lease agreement, mortgage statement, utility bill (not cell phone), or change of address card in the name of the individual which shows the HUBZone address where the individual resides. Failure to provide sufficient proof of HUBZone residency for employees could lead to your firm being proposed for decertification. Please ensure you review this documentation carefully to ensure it meets the above described requirements BEFORE submission.
  
- **Certification form for:**
  - HUBZone Program Certification for Applicants Owned by U.S. Citizens, ANCs or CDCs
  - HUBZone Program Certification for Applicants Owned by Indian Tribal Governments
  - HUBZone Program Certification for Applicants Owned by Small Agricultural Cooperatives



This form must be signed, by an officer of the firm authorized to represent the applicant, notarized, and mailed in hardcopy after you submit your electronic application along with all supporting documentation. Note that regardless of how you choose to submit the above requested documentation, this form must be mailed in hard copy form. An email or faxed copy of the Program Certification Signature Sheet will NOT be accepted.

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## 5. Starting the Electronic Application Process

When filing an electronic application, you must work through the application until it is fully complete, and it must be done in one single session. Once the application is electronically submitted, you will have a brief period during which you can edit the document by selecting the "Edit Application" button on the opening HUBZone Electronic Application – Main Menu page. The editing period ends when the SBA receives the electronic verification provided by a representative of the applicant concern. Once that verification is received, the electronic file is marked as "received" and can no longer be edited or accessed by the firm. When completing the application, at any point in the process, you can select **Help**, and get context-specific guidance. If you really get stuck answering a question, you can contact us by e-mail at [hubzone@sba.gov](mailto:hubzone@sba.gov). There are several **IMPORTANT** registrations that must be completed before you can start the electronic application process:

**DUN & BRADSTREET** – Each headquarters and branch office must be registered so that it will have its own **D&B ID** number known as a Data Universal Numbering System, or D-U-N-S.

**System for Award Management (SAM)** – the firm's Employer's Identification Number/Tax Identification Number (EIN/TIN) must be registered. (NOTE- the principal office address that is applying for HUBZone certification must be entered in the SAM profile associated with DUNS appropriate for this specific physical location.)

**Dynamic Small Business Search (DSBS)** - DSBS profiles will reflect each firm's certification status. It is recommended to keep your profiles (SAM and DSBS page) up to date through the SAM web-site: <https://www.sam.gov/portal/public/SAM/>. At the SAM Web site, simply update your SAM profile and SAM will update the DSBS profile. (NOTE: edit updated data transferred from SAM to DSBS usually takes up to 24 hours after you have updated the SAM profile.)

**Global Login System (GLS)** – you must complete registration in this system for each individual that can update information to your concern. Once you have registered, then you must add the concern's **DUNS and EIN** number(s).

Once all your registrations have been completed and you have received your USER IDs and PASSWORDS, then you are ready to start your electronic application for HUBZone certification.

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## **6. The Electronic Application:**

### **Section A – Location in Qualified HUBZone:**

The information in this section of the application is required for HUBZone analysts to determine whether your firm's principal office is located in a HUBZone. The answers to most of these questions will be extracted automatically from the information you've already entered in the SBA's DSBS database. Review this section carefully. If it is inaccurate, you must return to the firm's profile in SAM and correct it. The concern's name as entered here should be exactly as it appears on your firm's legal instruments, such as articles of incorporation, business license, or partnership agreements and must not be a DBA or assumed fictitious name. Address information will be extracted automatically from what you enter on SBA's HUBZone Address Screen. It should be the correct street address of your firm's principal office. (Remember, your firm's principal office is the place where the greatest number of your employees, at a single location, performs their work.) If the information on this screen is inaccurate, you should return to the firm's SAM profile to correct it.

A determination on whether your firm's principal office is located in a HUBZone will be generated automatically based on the information entered on the HUBZone Address Screen.

- HUBZone Principal Office Address
- Mailing Address
- Map Plot of principal office location

If the system states that your principal office is not located in a HUBZone but you believe that it is, you may provide information supporting your position and proceed with the application.

### **Section B – General Business Information:**

In this section you are to answer some basic questions that will help determine how to process your application as efficiently and quickly as possible. Many of the questions have been filled in

(see \* below) based on information that was entered in SBA's DSBS database. In most cases, the information that has been automatically filled in on Section B cannot be edited. If any of this information is incorrect, proceed to SAM or the HUBZone Address Screen to make corrections

- Business Name
- Employer's Identification Number /Taxpayer Identification Number \*
- Point Of Contact
  - Contact Prefix
  - Contact Name
  - Contact Title
  - Street Number
  - Street Address \*
  - Business Phone Number
  - Extension
  - Business Fax Number
  - e-mail Address
- Organizational Structure
- Date Business Established
- Briefly describe your firm's principal products and/or services
- North American Industrial Classification System (NAICS) code (primary)\*
- State Business was Incorporated In
- Business Fiscal Year Ending Date:
- Brief description of the concern's produce and/or services
- Is firm owned in whole or in part by an Indian tribal government or corporation wholly owned by an Indian tribal government
- Is concern owned in whole or in part by a Community Development Corporation
- Is concern an Alaskan Native Corporation (ANC) or direct or indirect subsidiary corporation, joint venture or partnership of an ANC
- Is concern a small agricultural cooperative or owned in whole or in part by a small agricultural cooperative
- Number of employees at the time of this application working at the PRINCIPAL OFFICE
- Number of employees at the time of this application working at other office locations
- Number of employees at the time of this application working at an off-site, contract specific job site
- Number of employees at the time of this application
- Average number of employees for past 12 months
- Number of employees who reside in a HUBZone at the time of this application
- Average annual receipts over the last three (3) years

- Is the applicant concern currently debarred, suspended, voluntarily excluded or otherwise rendered ineligible for procurement or non-procurement purposes from any department or agency of the Federal government

### Section C – Ownership and Control:

One basic requirement for certification as a qualified HUBZone SBC is that your firm be at least 51% owned and controlled by U.S. Citizens. A citizen is defined as a person born or naturalized in the United States (companies that are owned in whole or in part by a federally recognized tribe, ANC, CDC or small agricultural coop would meet other ownership tests). In addition, individual affiliation questions allow us to determine whether your firm is affiliated with another concern by common ownership, management, or other relationship. To be certified as a qualified HUBZone SBC, your firm must be determined to be small under relevant SBA size standards. SBA's determination of your firm's size may be affected if it is "affiliated" with another firm by ownership or an interest in that firm. In general, SBA will find that concerns are affiliates of each other when one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both. In making this determination, SBA considers factors such as ownership, management, previous relationships with or ties to another concern, and contractual relationships.

In this section we ask that you provide the following:

For corporations, enter the name of each stockholder (if the firm is owned by a tribe, ANC, CDC or small agricultural coop, or another business include the name(s) of these entities in this section as a stockholder) owning voting stock, each board member and each officer; for partnerships, enter the name of all general partners, each limited partner and each officer; for sole proprietorships, enter the name of the owner; and for limited liability companies, enter the name of each member and each manager; for sole proprietors, enter the name of the owner/proprietor.

- Individual's title or position.
- U.S. Citizenship?
- Does the applicant share facilities, equipment, or personnel with any other firm in which this individual has a financial interest or holds a management position?
  - Business Name:
  - Type of Interest:
- Is the individual currently debarred, suspended, voluntarily excluded or otherwise rendered ineligible for procurement or non-procurement purposes from any department or agency of the Federal Government?
  - Date of Action
  - Type of Action
  - Agency Taking Action

## **Section D – Financial Information:**

In this section of the application, we request that you give us a financial profile of your firm so that we can track and evaluate its performance in the HUBZone Program. Balance sheet information must be taken directly from financial statements for your firm's most recently ended fiscal year, and annual receipts and net profit must be taken directly from your firm's Federal tax return for that year. Example: It is now March 1, 2000; your firm's most recently ended fiscal year closed on December 31, 1999. In this space, you would enter information for the year ended 12/31. These statements must be available for HUBZone analysts to review.

- Fiscal Year Ending Date (Date the concern's accounting books are closed for the year)
- Tax Return Filing Date (Most Recent Federal Tax Return )
- Current Assets
- Fixed Assets
- Other Assets
- Total Assets
- Current Liabilities
- Long Term Liabilities
- Total Liabilities
- Net Worth
- Total Receipts
- Net Profit

## **Section E – HUBZone Employment Statement:**

One of the four key requirements for certification as a qualified HUBZone SBC is that at least 35% of its employees reside in a HUBZone. For purposes of the HUBZone program:

Employee means all individuals employed on a full-time, part-time, or other basis, so long as that individual works a minimum of 40 hours per month. This includes employees obtained from a temporary employee agency, leasing concern, or through a union agreement or co-employed pursuant to a professional employer organization agreement. SBA will consider the totality of the

circumstances, including criteria used by the IRS for Federal income tax purposes and those set forth in SBA's Size Policy Statement No. 1, in determining whether individuals are employees of a concern. Volunteers (i.e., individuals who receive deferred compensation or no compensation, including no in-kind compensation, for work performed) are not considered employees. However, if an individual has an ownership interest in and works for the HUBZone SBC a minimum of 40 hours per month, that owner is considered an employee regardless of whether or not the individual receives compensation.

An individual resides in a HUBZone if he or she lives in a primary residence at a place located in a HUBZone for at least 180 days, or as a currently registered voter, with intent to live there indefinitely.

You are required to use current employment records to research the resident status of your employees to ensure that at least 35% of your employees are HUBZone residents. You are further required to maintain records to document the percentage of HUBZone employees for a six-year period. The record must contain actual resident address(es). Post office boxes are not acceptable.

- You have researched the resident status of your employees and have determined that at least 35% of all individuals employed on a full-time, part-time, or other basis, so long as that individual works a minimum of 40 hours per month, are HUBZone residents.

**YES/NO**

- You have calculated the percentage of HUBZone residents utilizing current employment records as of the date of this application and will ensure that these records and all other pertinent information are maintained to document that at least 35% of all individuals employed on a full-time, part-time, or other basis, so long as that individual works a minimum of 40 hours per month, are HUBZone residents. **YES/NO**

#### **Section F – Affiliation:**

To be certified as a qualified HUBZone SBC, your firm must be determined to be small under relevant SBA size standards. SBA's determination of your firm's size may be affected if it is "affiliated" with another firm by ownership or having an interest in that firm.

In general, SBA will find that concerns are affiliates of each other when one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both. In making this determination, SBA considers factors such as ownership, management, previous relationships with or ties to another concern, and contractual relationships.

In this section, we ask that you tell us whether your firm has an ownership interest in another concern. If it does, you must provide identification and size information on that concern.

### **Affiliation information:**

- Does the applicant firm have one or more affiliation interest(s) shown above
- Does any other business have one or more affiliation interest(s) shown above in the applicant firm
- Name of other concern
- Address of other concern
- City of other concern
- State of other concern
- Zip Code of other concern
- What percentage of voting stock, ownership, or management position of the concern does the applicant hold?
- Primary NAICS Code of other concern
- Size information for concern:
- Average number of employees of the firm for the past 12 months
- Average annual receipts of this concern for its most recently completed three fiscal years

### **Notice of Verification:**

The SBA needs to verify that the information just entered through Internet Application Form was provided by an authorized company representative. To facilitate this process, the system is designed to automatically identify the highest-ranking officer named earlier in the 'Key Person' listing. You can choose to override this designation with another 'Key Person' by using the drop down menu, but this action will be recorded and may prompt an inquiry. You may also choose to identify someone other than a 'Key Person,' and this would be entered in section titled 'Other.'

The responding executive will need to have your company's GLS USER ID and password available. The e-mail notice they receive will provide a link back to the HUBZone Web page so that you will be able to provide the HUBZone application number and the authorizer's email address so that you provide the electronic verification that allows us to process the application.

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## **7. Completing the Application Process**

After you have completed the electronic version of the application, the electronic application software will audit it and advise you of any incomplete or missing data. The system will alert you when supporting documentation is required to complete the application review. *Once the*

*electronic application has been transmitted an initial e-mail will be sent to the highest ranking individual of that firm or to the additional point of contact with a web link for response. The highest ranking individual or the additional point-of-contact has to verify and attest to the authenticity of the application for further processing by clicking on the link in the initial e-mail.*

**You will have 10 days to give the electronic verification, or your application will not be processed. Until we receive the electronic verification we cannot process the application.**

Once your application has been assigned to an Analyst, the Analyst will contact you via e-mail or fax to request what supporting documentation(s) (outlined in Section 4 above) is needed to process the application. **In addition, the firm will also be required to submit a signed and notarized signature sheet attesting that all information and documentation are true and correct.**

**You will be given 10 days to submit the hard copy documents.** All subsequent communications

with you will be either by e-mail or fax. The certification staff of the HUBZone Program Office will review your application. All attempts will be to process the application within thirty calendar days (if practicable) from the date of receipt of the electronic verification and all required documents. If you want to check on your electronic application submission at any time, select Application Status and it will show the status of the application. Once an eligibility determination has been made, the firm will be notified in writing of the decision. At the same time, if it has been determined that your firm is a qualified HUBZone concern, it will be added to the List of Qualified HUBZone SBCs and your firm's DSBS Page profile will reflect its HUBZone certification status. It is recommended to keep your profiles (SAM and DSBS Page) up to date through the SAM web-site: <https://www.sam.gov/portal/public/SAM/>. At the SAM Web site, simply update your SAM profile and SAM will update the DSBS profile. (NOTE: edited data transferred from SAM to DSBS usually takes up to 24 hours after you have updated the SAM profile.) Again, thank you for your interest in the HUBZone Program.

**Good luck!**

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## **8. CFR 13 Part 126 Guidance:**

Subpart Section related to HUBZone certification:

- [Subpart A](#) – Provision of General Applicability (13 CFR 126.100 thru 126.103)
- [Subpart B](#) – Requirements to be a Qualified HUBZone SBC (13CFR 126.200 thru 126.309)
- [Subpart E](#) – Maintaining HUBZone Status (13 CFR 126.500 thru 126-504)



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## 9. Glossary

### Confidentiality

**Administrator** means the Administrator of the United States Small Business Administration (SBA).

**AA/BD** means SBA's Associate Administrator for Business Development.

**AA/GC&BD** means SBA's Associate Administrator for Government Contracting & Business Development

**Agricultural commodity** has the same meaning as in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

**Alaska Native Corporation (ANC)** has the same meaning as the term "Native Corporation" in section 3 of the ANCSA, 43 U.S.C. 1602.

**Alaska Native Village** has the same meaning as the term "Native village" in section 3 of the ANCSA, 43 U.S.C. 1602. ANCSA means the Alaska Native Claims Settlement Act, as amended.

**Attempt to maintain** means making substantive and documented efforts such as written offers of employment, published advertisements seeking employees, and attendance at job fairs.

**Base closure area** means lands within the external boundaries of a military installation that were closed through a privatization process under the authority of:

(1) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of division B of Public Law 101-510; 10 U.S.C. 2687 note);

(2) Title B of the Defense Authorization Amendments and Base Closure and Realignment Act (Pub. L. 100-526; 10 U.S.C. 2687 note);

(3) 10 U.S.C. 2687; or

(4) Any other provision of law authorizing or directing the Secretary of Defense or the Secretary of a military department to dispose of real property at the military installation for purposes relating to base closures of redevelopment, while retaining the authority to enter into a leaseback of all or a portion of the property for military use.

**Certify** means the process by which SBA determines that a HUBZone SBC is qualified for the HUBZone program and entitled to be included in SBA's "List of Qualified HUBZone SBCs."

**Citizen** means a person born or naturalized in the United States. SBA does not consider holders of permanent visas and resident aliens to be citizens.

**Community Development Corporation (CDC)** means a corporation that has received financial assistance under Part 1 of Subchapter A of the Community Economic Development Act of 1981, 42 U.S.C. 9805-9808.

**Concern** means a firm which satisfies the requirements in Sec. Sec.121.105 (a) and (b) of this title.

**Contract opportunity** means a situation in which a requirement for a procurement exists, none of the exclusions from Sec. 126.605 applies, and any applicable conditions in Sec. 126.607 are met.

**Contracting Officer (CO)** has the meaning given that term in 41 U.S.C. 423(f)(5), which defines a CO as a person who, by appointment in accordance with applicable regulations, has the authority to enter into a Federal agency procurement contract on behalf of the Government and to make determinations and findings with respect to such a contract.

**County** means the political subdivisions recognized as a county by a state or commonwealth or

which is an equivalent political subdivision such as a parish, borough, independent city, or municipio, where such subdivisions are not subdivisions within counties.

**County unemployment rate** is the rate of unemployment for a county based on the most recent data available from the United States Department of Labor, Bureau of Labor Statistics. The appropriate data may be found in the DOL/BLS publication titled ``Supplement 2, Unemployment in States and Local Areas." This publication is available for public inspection at the Department of Labor, Bureau of Labor Statistics, Division of Local Area Unemployment Statistics located at 2 Massachusetts Ave., NE, Room 4675, Washington, D.C. 20212. A copy is also available at SBA, Office of HUBZone Program, Director, 409 3rd Street, SW, Washington D.C. 20416.

**DAA/GC&BD** means SBA's Deputy Associate Administrator for Government Contracting and Business Development.

**D/HUBZone** means SBA's Director for the HUBZone Program.

**De-certify** means the process by which SBA determines that a concern is no longer a qualified HUBZone SBC and removes that concern from its List.

**Employee** means all individuals employed on a full-time, part-time, or other basis, so long as that individual works a minimum of 40 hours per month. This includes employees obtained from a temporary employee agency, leasing concern, or through a union agreement or co-employed pursuant to a professional employer organization agreement. SBA will consider the totality of the circumstances, including criteria used by the IRS for Federal income tax purposes and those set forth in SBA's Size Policy Statement No. 1, in determining whether individuals are employees of a concern. Volunteers (i.e., individuals who receive deferred compensation or no compensation, including no in-kind compensation, for work performed) are not considered employees. However, if an individual has an ownership interest in and works for the HUBZone SBC a minimum of 40 hours per month, that owner is considered an employee regardless of whether or not the individual receives compensation.

**HUBZone** means a historically underutilized business zone, which is an area located within one or more:

- (1) Qualified census tracts;
- (2) Qualified non-metropolitan counties;
- (3) Lands within the external boundaries of an Indian Reservation;
- (4) Qualified base closure area (BRACs); or
- (5) Redesignated area.

**HUBZone small business concern (HUBZone SBC)** means an SBC that is:

- (1) At least 51% owned and controlled by 1 or more persons, each of whom is a United States citizen;
- (2) An ANC owned and controlled by Natives (as determined pursuant to section 29(e) (1) of the ANCSA, 43 U.S.C. 626(e) (1));
- (3) A direct or indirect subsidiary corporation, joint venture, or partnership of an ANC qualifying pursuant to section 29(e)(1) of the ANCSA, 43 U.S.C. 1626(e)(1)), if that subsidiary, joint venture, or partnership is owned and controlled by Natives (as determined pursuant to section 29(e)(2) of the ANCSA, 43 U.S.C. 1626(e)(2));
- (4) Wholly owned by one or more Indian Tribal Governments or by a corporation that is wholly owned by one or more Indian Tribal Governments;
- (5) Owned in part by one or more Indian Tribal Governments or in part by a corporation that is wholly owned by one or more Indian Tribal Governments, if all other owners are either United States citizens or SBCs;
- (6) Wholly owned by a CDC or owned in part by one or more CDCs, if all other owners are either United States citizens or SBCs; or
- (7) A small agricultural cooperative organized or incorporated in the United States, wholly owned by one or more small agricultural cooperatives organized or incorporated in the United States or owned in part by one or more small agricultural cooperatives organized or incorporated in the United States, provided that all other owners are small business concerns or United States citizens.

**Indian reservation:**

(1) Has the same meaning as the term “Indian country” in 18 U.S.C. 1151, except that such term does not include:

(a) Any lands that are located within a State in which a tribe did not exercise governmental jurisdiction as of December 21, 2000, unless that tribe is recognized after that date by either an Act of Congress or pursuant to regulations of the Secretary of the Interior for the administrative recognition that an Indian group exists as an Indian tribe (25 CFR part 83); and

(b) Lands taken into trust or acquired by an Indian tribe after December 21, 2000 if such lands are not located within the external boundaries of an Indian reservation or former reservation or are not contiguous to the lands held in trust or restricted status as of December 21, 2000; and

(2) In the State of Oklahoma, means lands that:

(a) Are within the jurisdictional areas of an Oklahoma Indian tribe (as determined by the Secretary of the Interior); and

(b) Are recognized by the Secretary of the Interior as of December 21, 2000, as eligible for trust land status under 25 CFR part 151.

**Indian Tribal Government** means the governing body of any Indian tribe, band, nation, pueblo, or other organized group or community which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

**Interested party** means any concern that submits an offer for a specific HUBZone sole source or set-aside contract, any concern that submitted an offer in full and open competition and its opportunity for award will be affected by a price evaluation preference given a qualified HUBZone SBC, the contracting activity's contracting officer, or SBA.

**Lands within the external boundaries of an Indian reservation** include all lands within the perimeter of an Indian reservation, whether tribally owned and governed or not. For example, land that is individually owned and located within the perimeter of an Indian reservation is “lands within the external boundaries of an Indian reservation.” By contrast, an Indian-owned parcel of land that is located outside the perimeter of an Indian reservation is not “lands within the external boundaries of an Indian reservation.”

**List** refers to the database of qualified HUBZone SBCs that SBA has certified.

**Median household income** has the meaning used by the Bureau of the Census, United States Department of Commerce, in its publication titled, “1990 Census of Population, Social and Economic Characteristics,” Report Number CP-2, pages B-14 and B-17. This publication is

available for inspection at any local Federal Depository Library. For the location of a Federal Depository library, call toll-free (888) 293-6498 or contact the Bureau of the Census, Income Statistics Branch, Housing and Economic Statistics Division, Washington D.C. 20233-8500.

**Metropolitan statistical area** means an area as defined in section 143(k) (2) (B) of the Internal Revenue Code of 1986, (Title 26 of the United States Code).

**Non-metropolitan** has the meaning used by the Bureau of the Census, United States Department of Commerce, in its publication titled, “1990 Census of Population, Social and Economic Characteristics,” Report Number CP-2, page A-9. This publication is available for inspection at any local Federal Depository Library. For the location of a Federal Depository Library, call toll-free (888) 293-6498 or contact the Bureau of the Census, Population Distribution Branch, Population Division, Washington, D.C. 20233-8800.

**Person** means a natural person.

**Principal office** means the location where the greatest number of the concern’s employees, at any one location, performs their work. However, for those concerns whose “primary industry” (see 13 CFR 121.107) is service or construction (see 13 CFR 121.201), the determination of principal office excludes the concern's employees who perform the majority of their work at job-site locations to fulfill specific contract obligations.

**Qualified base closure area** means a base closure area for a period of 5 years either from December 8, 2004, or from the date of final base closure, whichever is later.

**Qualified census tract** has the meaning given that term in section 42(d) (5) (C) (ii) of the Internal Revenue Code of 1986.

**Qualified HUBZone SBC** means a HUBZone SBC that SBA certifies as qualified for federal contracting assistance under the HUBZone program.

**Qualified non-metropolitan county** means any county that was not located in a metropolitan statistical area at the time of the most recent census taken for purposes of selecting qualified census tracts under section 42(d)(5)(C)(ii) of the Internal Revenue Code of 1986, and in which:

(a) The median household income is less than 80% of the non-metropolitan State median household income, based on the most recent data available from the Bureau of the Census of the Department of Commerce; or

(b) The unemployment rate is not less than 140 percent of the average unemployment rate for the United States or for the State in which such county is located, whichever is less, based on the most recent data available from the Secretary of Labor; or

(c) Is located in a difficult development area, as designated by the Secretary Housing and Urban Development in accordance with section 42(d)(5) (c) (iii) of the Internal Revenue Code of 1986, within Alaska, Hawaii, or any other territory or possession of the United States outside the 48 contiguous states.

**Redesignated area** means any census tract or any non-metropolitan county that ceases to be a qualified HUBZone, except that such census tracts or non-metropolitan counties may be “redesignated areas” only until the later of:

(1) The date on which the Census Bureau publicly releases the first results from the 2010 decennial census;

(2) Three years after the date on which the census tract or non-metropolitan county ceased to be so qualified. The date on which the census tract or non-metropolitan county ceases to be qualified is the date that the official government data, which affects the eligibility of the HUBZone, is released to the public; or

(3) or a county that includes a Difficult Development Area (DDA), as designated by HUD in accordance with section 42 of the Internal Revenue Code of 1986, within Alaska, Hawaii, or any territory or possession of the United States outside the 48 contiguous States.

**Reside** means to live in a primary residence at a place for at least 180 days, or as a currently registered voter, and with intent to live there indefinitely.

**Small agricultural cooperative** means an association (corporate or otherwise), comprised exclusively of other small agricultural cooperatives, small business concerns, or U.S. citizens, pursuant to the provisions of the Agricultural Marketing Act, 12 U.S.C. 1141j, whose size does not exceed the applicable size standard pursuant to part 121 of this chapter. In determining such size, an agricultural cooperative is treated as a “business concern” and its member shareholders are not considered affiliated with the cooperative by virtue of their membership in the cooperative.

**Small business concern (SBC)** means a concern that, with its affiliates, meets the size standard for its primary industry, pursuant to part 121 of this chapter.

**Small disadvantaged business (SDB)** means a concern that is small pursuant to part 121 of this chapter, is owned and controlled by one or more socially and economically disadvantaged

individuals, tribes, ANCs, Native Hawaiian Organizations, or CDCs and has been certified pursuant to subpart A or B, part 124 of this chapter.

**Statewide average unemployment** rate is the rate based on the most recent data available from the Bureau of Labor Statistics, United States Department of Labor, Division of Local Area Unemployment Statistics, 2 Massachusetts Ave., NE., Room 4675, Washington, D.C. 20212. A copy is also available at SBA,

Office of D/HUB, 409 3rd Street, SW., Washington DC 20416.

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## **10. Confidentiality and Security considerations:**

You will access the application over the Internet using your Internet browser (Microsoft Internet Explorer 4.0 or greater web browser or other browsers). HUBZone has taken strong security measures to ensure that all submitted information remains confidential. When we receive your application, HUBZone's Electronic Information Security Systems will protect it.

**SBA Form 2103 (10/31/2012)**