

Socially and Economically Disadvantaged Business Enterprises Addendum to State Certification Application

This form is for persons applying for certification as a Socially and Economically Disadvantaged Business Enterprise.

Definition of Socially and Economically Disadvantaged

State and federal rule define what it means to be socially and economically disadvantaged for the purposes of being certified by the Office of Minority and Women's Business Enterprises. To qualify, a person must be both socially and economically disadvantaged.

A socially disadvantaged individual is a person who has been subjected to racial or ethnic prejudice or cultural bias within American society because of his or her identity as a member of a group.

Social disadvantage is defined as stemming from circumstances beyond a person's control. Evidence of social disadvantage must include all of the following elements:

1. At least one objective distinguishing feature that has contributed to social disadvantage.
2. Personal experiences of substantial and chronic social disadvantage in American society.
3. Negative impact on entry into business or advancement in business.

An economically disadvantaged individual is a person whose ability to compete in business has been impaired due to diminished capital and credit opportunities, as compared to others in the same or similar line of business who are not socially disadvantaged. The owners' personal net worth may not exceed \$750,000.

Section 1: Socially Disadvantaged Status

1. Describe at least one objective distinguishing feature that has contributed to your social disadvantage. Examples include race, ethnic origin, gender, disability, long-term residence in an environment isolated from the mainstream of American society, or other similar causes not common to individuals who are not socially disadvantaged.

2. Based on your answer to Question 1, describe your personal experiences of substantial and chronic social disadvantage.

3. Describe negative impacts you have experienced on entry into business or advancement in business because of your disadvantage. Elements could include, but are not limited to:

- Education - Examples include denial of equal access to institutions of higher education or vocational training, exclusion from social or professional association with students or teachers, denial of educational honors rightfully earned, and social patterns or pressures, which discouraged you from pursuing a professional or business education.
- Employment - Examples include unequal treatment in hiring, promotions, compensation or other terms and conditions of employment; retaliatory or discriminatory behavior by an employer or labor union; and social patterns or pressures, which discouraged you from pursuing employment in a professional, or business field.
- Business history - Examples include unequal access to credit or capital, acquisition of credit or capital under commercially unfavorable circumstances, unequal treatment in opportunities for government contracts or other work, unequal treatment by potential customers or business associates, and exclusion from business or professional organizations.

Section 2: Economically Disadvantaged Status

1. Please describe how your ability to compete in business has been negatively affected due to reduced access to capital and credit opportunities, as compared to others in the same or similar line of business who are not socially disadvantaged.

Section 3: Personal Net Worth Statement

To be certified as a Socially and Economically Disadvantaged Business Enterprise, the personal net worth of the owner(s) applying as socially and economically disadvantaged persons may not exceed \$750,000 (WAC 326-20-048).

Personal net worth includes the majority owner(s) assets held separately, jointly or as community property. It does not include:

- An individual's ownership interest in the applicant firm;
- An individual's equity in his or her primary residence; or
- Tax and interest penalties that would accrue if retirement savings or investments were distributed at the present time.

Please use additional sheets of paper as necessary.

Assets and Liabilities Summary			
Assets (list fair market value as of date of application)		Liabilities	
Cash and cash equivalents Including checking, savings, money market, and certificates of deposit held, domestic or foreign.	\$		
Brokerage and investment accounts, stocks and bonds, retirement accounts (including IRAs, 401ks, 403Bs, pensions, etc.) Report full value if assets were distributed today. Complete Section 1.	\$	Notes payable to banks or others Complete Section 2	\$
Real estate owned (excluding primary residence) Complete Section 3.	\$	Mortgages on real estate (excluding primary residence) Complete Section 3.	\$
Note, Section 3 asks for the value and mortgages of your primary residence, but they are not included here because they are not part of your personal net worth for the purposes of certification.			
Life insurance policies that have cash surrender value List the cash amount offered to you as the policy owner by the life insurance company upon cancellation of the contract. Complete Section 4.	\$	Loans on life insurance Complete Section 4.	\$
Other personal property and assets Include vehicles, personally owned vehicles that are leased or rented to a business or individual, boats, trailers, jewelry, furniture, household goods, collectibles and clothing, Complete Section 4.	\$	Notes and obligations on personal property Include vehicle installment accounts, mortgage balances or loans for your business. Complete Section 4.	\$

Loans and other receivables Include: <ul style="list-style-type: none"> • Amounts loaned to you from your business. • Amounts loaned to you from any other business entity in which you hold an ownership interest. • Other receivables not listed in the previous entries. Complete Section 4.	\$	Other liabilities Enter the total due on all other liabilities not listed in the previous entries. Do not include: <ul style="list-style-type: none"> • Liabilities for the business for which you are applying for certification. • Contingent liabilities (Liabilities that belong to you only if an event occurs. For example, if you have co-signed on a loan, but you are not responsible for the debt unless the person defaults). Complete Section 5.	\$
Assets held in trust	\$	Unpaid taxes Do not include contingent tax liabilities or anticipated taxes for current year. Complete Section 5.	\$
Business interests other than the applicant firm Complete Section 4.	\$		
Total Assets	\$	Total Liabilities	\$
		NET WORTH (total assets minus total liabilities)	\$

Section 1. Brokerage and investment accounts, stocks and bonds, retirement accounts
(retirement accounts include IRAs, 401Ks, pensions, etc.)

Name of brokerage or investment account, stock, bond or retirement account	Total Cash Value
	\$
	\$
	\$
	\$

Section 2. Notes payable to banks or others

Name of noteholder(s)	Current Balance
	\$
	\$
	\$

Section 3. Real Estate Owned

Include primary residence, investment properties, personal property leased or rented for business purposes, farm properties, or any other income producing property.

	Primary Residence	Property B	Property C
Type of property			
Address			
Name(s) on deed			
Present market value	\$	\$	\$
Source of market value			
Name of all mortgage holder(s)			
Mortgage balance (as of date of application)	\$	\$	\$
Equity line of credit balance(s)	\$	\$	\$

Section 3. Life insurance	
Insurance company	Cash surrender amount
	\$
	\$
	\$

Section 4. Other personal property and assets		
For value, use fair market value (not use assessor's value).		
Type of property or asset	Total present value	Amount of liability (balance)
Vehicles (including recreational vehicles, motorcycles, boats, etc.). Include personally owned vehicles that are leased or rented to a business or individual.		
	\$	\$
	\$	\$

	\$	\$
Household goods/ jewelry		
	\$	\$
	\$	\$
	\$	\$
Other (list)		
	\$	\$
	\$	\$
	\$	\$
Accounts and notes receivable		
	\$	\$
	\$	\$
	\$	\$

Please mail this addendum with your Application for State Certification to:

OMWBE
 P.O. Box 41160
 Olympia, WA 98504-1160

If you have any questions please call us at 360-664-9750 or 1-800-208-1064
 or email us at receptionist@omwbe.wa.gov
 We are open Monday through Friday from 8:00 a.m. to 5:00 p.m.