



DBE Application “Tripwires”

Firms seeking DBE certification often make the same errors or omissions on their applications. These can delay the processing of an application or even lead certifiers to deny an application. Firms must then engage in the sometimes lengthy, time-consuming process of filing an appeal. The following “tripwires” are easily avoidable:

- Not including all applicable required documents listed on the application checklist. The follow-up requests from a certifier to an applicant to obtain the missing document(s) delays the application process. Delayed application = potential lost contracts! Lost contracts = lost opportunity!
- Including unsigned documents with your application, such as tax returns and stock certificates, without explanation.
- Leaving blank spaces on the DBE application without explanation. E.g. not listing firm officers and their titles.
- No proof of spousal renunciation when joint marital assets are used to start a firm and transferor spouse is not presumed socially and economically disadvantaged. See §26.69(i) of 49 CFR Part 26.
- Providing unclear titles for the firm’s officers that result in confusion about each officer’s duties.
- Submitting incomplete application packages when applying for interstate certification, such as omitting a complete copy of the application and supporting documents that were submitted to the firm’s home state; omitting “no change” affidavits that must be submitted every year on the anniversary of the firm’s certification affirming that there have been no changes in the firm’s circumstances affecting its ability to meet size, disadvantaged status, ownership, or control requirements; or omitting any notice of changes submitted to a certifying agency as required within 30 days of the occurrence of the change. See §26.85 of 49 CFR Part 26
- Holding outside employment or business interests that conflict with the management of the firm. See §26.71(j) of 49 CFR Part 26.
- Applying for incorrect or unnecessary NAICS codes.
- Including boilerplate bylaws or articles of incorporation provisions that create confusion and cast doubt on who controls the firm.

SUGGESTIONS FOR APPLICANTS

- Become familiar with eligibility requirements before you apply. Remember, the applicant firm has the burden of proving eligibility NOT the certifier. See §§26.61–85 of 49 CFR Part 26.
- Before you submit your application, review it to ensure accurate information and know that you have the opportunity to correct any errors in the application up until the recipient issues an eligibility decision.
- During your on site interview, be prepared to discuss all aspects of your business.
- Sufficiently explain your experience on your résumé and be able to explain the roles of each director or employee.
- Sufficiently explain how the firm’s majority owner’s outside employment or business interests do not conflict with the management of the firm.
- Know that you have a right to appeal an adverse certification decision and be familiar with the process. For example, your appeal must be timely and provide specific grounds supporting your arguments for reversal of the decision to deny certification.