



“World Class Professionals Protecting The Veteran Advantage, One Vet At A Time”



VERIFICATION PROCESS TRAINING COURSE

Welcome!



US DEPARTMENT OF VETERANS AFFAIRS ★ CENTER FOR VETERANS ENTERPRISE

Leadership Introductions

- **Thomas Leney, Executive Director, Office of Small & Disadvantaged Business Utilization**
- **Chanel Bankston-Carter, Director, Strategic Outreach & Center for Small Business Utilization, OSDBU**
- **Michelle Gardner-Ince, Director, Center for Veterans Enterprise, OSDBU**



Participant Introductions & Expectations

- **Introduce yourself to the group:**
 - Name
 - Organization
 - Position and overall responsibilities

- **Expectations:**
 - Based on what you know already and what you read in your pre-course material;
 - What **1 question** do you want answered today?



Administrative Remarks:

- **Cell phones off**
- **Quiet when going into the adjourning hallways and bathrooms (this is a judicial facility) follow the arrows**
- **Please put trash in proper receptacles**
- **Please hold questions until the end of the section**
- **Be respectful of others opinions and views**
- **Focus of training today is “process vs. policy”**



It's in the
Training
Guide! Look
on Page: 6

Course Objectives

At the end of this course, you will be able to:

- Understand the roles, responsibilities and **interdependence of the OSDBU, Strategic Outreach and CVE**, all dedicated to supporting Veteran-owned businesses
- Know the **objectives of the Veteran's First Contracting Program**
- **Recognize** the various **stages of the verification process** that confirm or deny eligibility into the Veteran's First Contracting Program
- **Appreciate** both the **policy mandates and application** of Title 38 Code Of Federal Regulations (CFR) Part 74 in making a determination on applications



AGENDA

TIME	TOPIC	FACILITATORS
9:00-10:15	<ul style="list-style-type: none"> • Welcome and Introductions • Today’s Expectations • Verification Process Framework: Questions and Answers 	<ul style="list-style-type: none"> • Thomas Leney, Executive Director, OSDBU • Chanel Bankston-Carter, Director, Strategic Outreach, OSDBU • Michelle Gardner-Ince, Director, CVE, OSDBU
<u>15 minute BREAK</u> 10:30 – 12:30	<ul style="list-style-type: none"> • “Be The Veteran” Verification Process Simulation and SME Panel Discussion 	<ul style="list-style-type: none"> • Verification Counselor • VCMS/VIP • Initiation • Examination • Evaluation • Determination • Request For Reconsideration • Risk & Site Visits • Contact Center • QA & IT
<u>45 Min. LUNCH BREAK</u> 1:15 – 2:15	<ul style="list-style-type: none"> • Title 38 CFR Part 74 Regulation – Top Ten Reasons for Denial Overview 	<ul style="list-style-type: none"> • Dennis Foley, Office of General Counsel
2:30 – 3:30	<ul style="list-style-type: none"> • OGC Top Ten Debrief 	<ul style="list-style-type: none"> • Dennis Foley & Harry Alexander, CVE, Facilitator
3:30 - 4:30	<ul style="list-style-type: none"> • Title 38 CFR Part 74 Regulation – Case Review 	<ul style="list-style-type: none"> • Harry Alexander, CVE, Facilitator
4:30 – 5:00	<ul style="list-style-type: none"> • Final Remarks 	<ul style="list-style-type: none"> • Michelle Gardner-Ince, Director, CVE

It's in the
Training
Guide! Look
on Pages:
7-31

Pre-Course Training Guide Overview



Pre-Course Training Guide: What's In It For You?

What We Sent:	Why We Sent It:
<p>Verification Framework Overview:</p> <ul style="list-style-type: none"> • Background of OSDBU participating organizations • Highlights of the Veteran's Assistance Program • History and milestones of Veteran's First Contracting Program 	<p>To publicize the Department of Veterans Affairs' ongoing efforts to support Veteran small business interests, specifically in pursuing approval in the Veteran's First Contracting Program through VetBiz.</p>
<p>Verification Process Stages</p>	<p>To build a general awareness of the primary steps in the verification process lifecycle – the macro view.</p>
<p>CVE Verification Process and Support Functions</p>	<p>To provide a deeper understanding about the activities and tasks completed by the CVE team in order to reach application determination – the micro view.</p>
<p>Title 38 Code of Federal Regulation Part 74</p>	<p>To supply a guide and resource tool which highlights the salient areas of the regulation. Color coded for easy referencing in order to quickly find definitions and regulation sections.</p>
<p>Today's Presentation</p>	<p>To prepare you to engage in meaningful dialogue about your role in understanding the verification process and servicing the Veteran community.</p>

Facts To Know

- OSDBU Roles and Responsibilities
- Verification Assistance
- CVE
 - CVE Evolution
 - Vendor Information Pages (VIP)
 - Current State
 - CVE Successes





Tom Leney
Executive Director

Highlights:

- Oversee the work of the Office of Small and Disadvantaged Business Utilization (OSDBU), which includes Strategic Outreach and Center for Small Business Utilization (CSBU), and the Center for Veterans Enterprise (CVE)
- OSDBU provides outreach and liaison support to businesses (small and large) and other members of the public and private sectors concerning Small Business Acquisition issues
- OSDBU is responsible for monitoring VA implementation and execution of the socioeconomic programs
- Visit our website for more information:

<http://www.va.gov/osdbu/>



Roles and Responsibilities of OSDBU Departments

Strategic Outreach

- Responsible for recruiting counselors, accountability and tracking of trends, surveys and metrics
- Provide strategic communication
- Decrease denial status among verification applicants

Center for Veterans Enterprise

- Provide Verification Education Training to CVE's internal and external stakeholders with the outcome of decreasing denial rates
- Provide assessments
- Identify stakeholder needs

Acquisition Support

- Review Subcontracting Plans to ensure they comply with the 11 Elements of FAR Part 19.704
- Developing increased oversight program of VA prime contractors to ensure they provide subcontracts to small businesses as provided for in their subcontracting plans.



Questions?





Highlights:

- Strategic Outreach and the Center for Small Business Utilization (CSBU) provides outreach and communication to effectively disseminate information on the services and programs that are accessible to partners (both internal and external) and VOSB and SDVOSB.
- Verification Assistance Program (VAP), is dedicated to making the process more effective resource for our Veterans, thereby increasing the number of initial verification approvals and reducing the number of denials.
- We are committed to our Verification Partners and Counselors.



Chanel Bankston-Carter
Director
Strategic Outreach and Center for
Small Business Utilization (CSBU)

Verification Counselor and Partner Support System

The Verification Partners Inquiry form is found on the hidden VCP Library page which is only available to verified counselors and partners.

After completion of training you will receive access to the VCP Library. This page contains valuable support information, resources, and updates on the Verification process.

<http://www.va.gov/osdbu/veteran/vapVCPlibrary.asp>



Verification Counselor & Partner Support System

Verification Counselor Resource Library

The Verification Counseling Program provides education, assistance, and certification to Verification Assistance Partners through [Verification Counselor Training](#). Below you'll find a list of resources available to counselors that have completed the Verification Counselor Training.

Understanding Verification

- [OSDBU Verification Process Training Pre-course Guide](#)
- [OSDBU Verification Process Training Baseline Assessment Survey](#)
- [Verification Training Checklist](#)

Verification Partner Inquiries

As part of your direct access to CVE's Customer Service Team, we've provided an inquiry form and direct telephone number that only Verification Counselors / Partners have access to.

- Contact via phone at (202) 632-9050
- Contact via email by submitting [Verification Partner Inquiry Form](#)
- Your inquiry will be answered within 72 hours.





Questions?





A. Michelle Gardner-Ince
Director
Center for Veterans
Enterprise

Highlights:

- Director of the Center for Veterans Enterprise (CVE)
- CVE is the office within the U.S. Department of Veterans Affairs that:
 - Verifies Veteran-owned and service-disabled Veteran-owned small businesses for inclusion in the VetBiz database.
 - Companies granted approval into the database are offering preferential access to VA government contracts and set-aside funds.
- Visit our website for more information:

<http://www.vetbiz.gov>



Ownership



Control

Verified!!

Eligibility



Verified

Elements of Verification



Center For Veterans Enterprise (CVE)

- **Promotes business ownership and expansion for Veterans and service-connected disabled Veterans to increase participation in the Federal marketplace** with emphasis on the Department of Veterans Affairs
- Launched to **ensure businesses registered in the Vendor Information Pages (VIP) database seeking to participate in the Veterans First Program under Public Law 111-275 are owned and controlled by eligible Veterans**



Evolution of CVE

- August 1999 - P.L. 106-50 signed, creating SDVOSB goals
- February 2001 - CVE formed to implement P.L. 106-50
- February 2003 - VIP launched to create visibility for SDVOSBs and VOSBs: self-representation
- **December 2006 - P.L. 109-461 signed, creating Vets First Contracting and VOSB Verification**
- May 2008 - VOSB Verification launches: voluntary program, self-representation still allowed
- **October 2010 – P.L. 111-275, no new firms can be visible in VIP without first being verified**



Vendor Information Pages (VIP)

- In **Sep 2003 VA** opened "**VetBiz**" Vendor Information Pages
- **Originally a outreach tool** to identify VOSBs for VA, other government agencies, private market
- The Vendor Information Pages Database (**VIP**) is the **only federally controlled database** in which a legal **verification process** is used to determine **service disabled or veteran status of a small business**



Current State Processes

- The application **examination process is designed to examine and assess ownership and control** of companies applying to be verified as either a SDVOSB or VOSB
- **CVE processes applications within 60 days** of receipt of a complete application
- Examiners **review a company's organizational/financial data**
- Examiners have the discretion to **request additional information** from a company **during examination**





Questions?



AGENDA

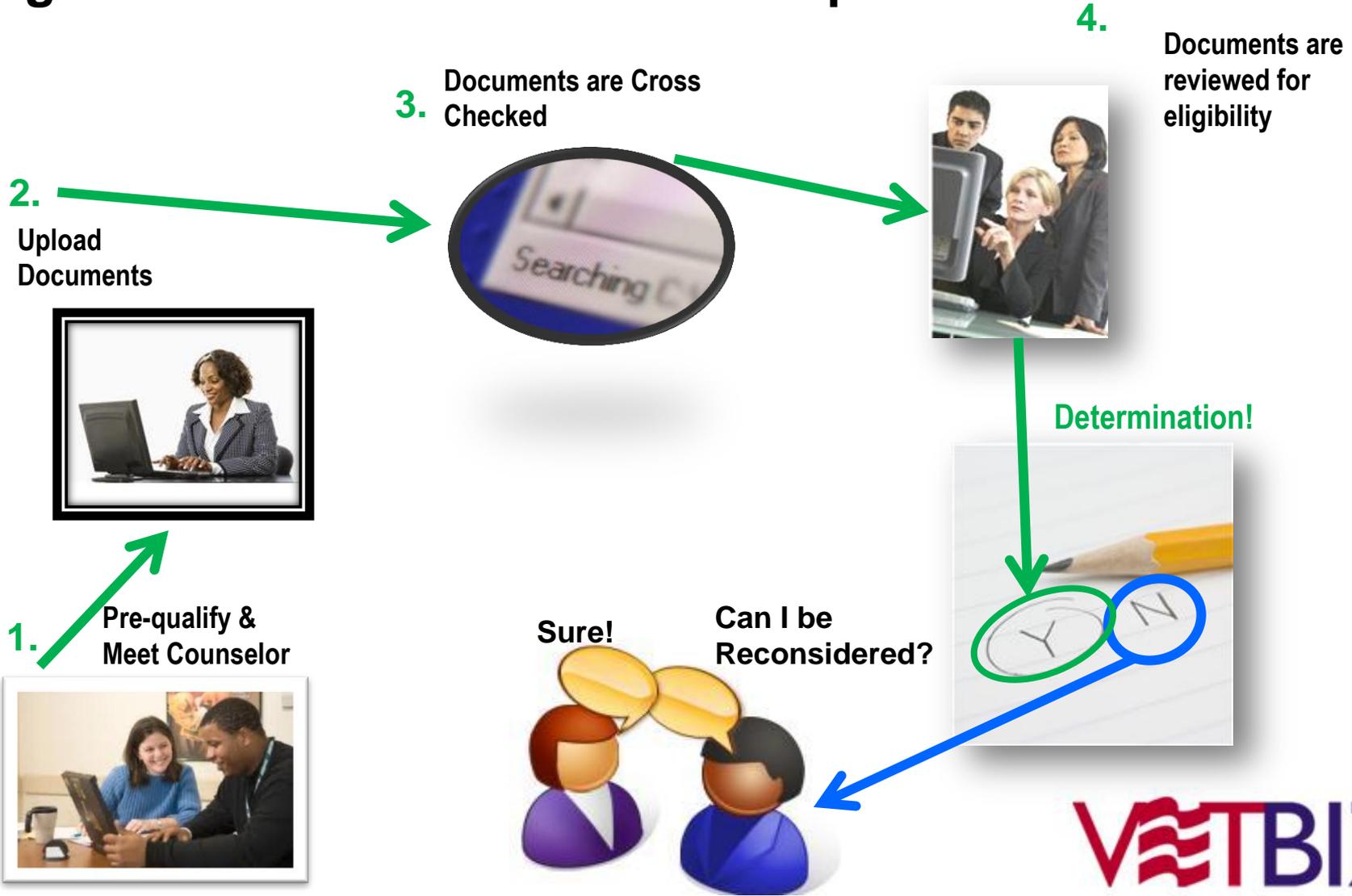
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11-17

“Be The Veteran” Verification Process Simulation and SME Panel Discussion



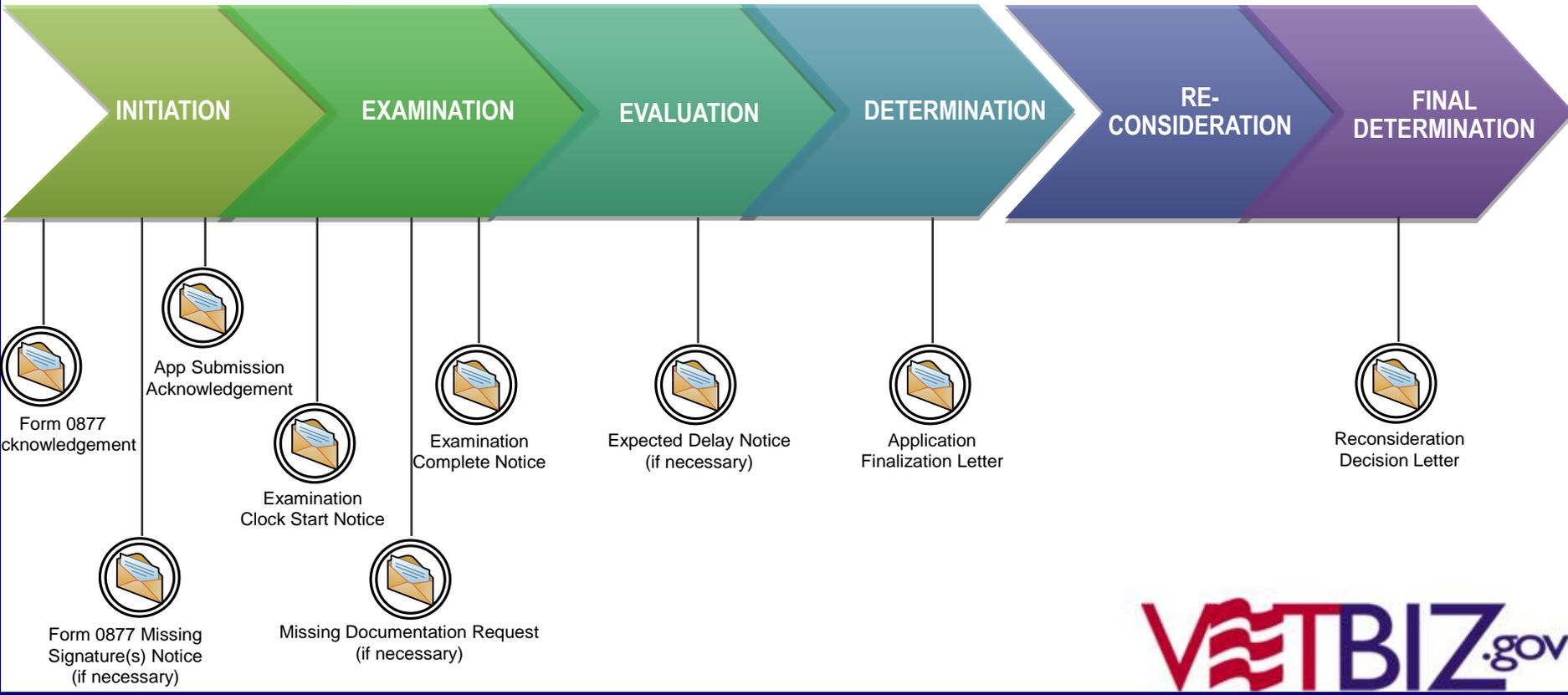
High-level Verification Process Steps



Department of Veterans Affairs (VA)

VetBiz Verification Program

Center for Veterans Enterprise (CVE) Verification Process - Communication



**PRE-
APPLICATION**

**PRE-ASSESSMENT &
MEET
YOUR
COUNSELOR**



Verification Assistance Counselors



Verification Assistance Resources

- VSOs and other support organizations provide counseling:
 - <http://www.va.gov/osdbu/veteran/vapVCP.asp>
- Verification Assistance Tool
 - https://www.research.net/s/Verification_Assessment_Tool
- Verification Assistance Briefs & Guide for Applicants on:
 - www.VETBIZ.gov



Counselor Support Process

Pre-Application

- Assist with pre-work:
 - Register in SAM
 - Register with the State
 - Register with Dun & Bradstreet
- Review the Verification Guide on www.VETBIZ.gov
- Read Verification Assistance Briefs where applicable
- Provide guidance on the Verification Assessment Tool

During- Application

- Prepare them to use upload required documents to a file and email
- Set up and conduct appointment to review application within 2 days
- Provide representation if needed

Post Application

- Provide ongoing support via email or appointment as required

It's in the
Training
Guide! Look
on Pages:
32-53

Read the Verification Assistance Briefs - Expansive information on Title 38 CFR Part 74

List of Verification Assistance Briefs

1. 51% of the Annual Distribution	10. Applicant Must Meet Small Business Definition
2. Dependence with Other Entities	11. Transfer of Ownership and Control within 2 Years
3. Control of Strategic Policy and Day to Day Operations	12. Board Governance
4. Ownership Must Be Direct	13. Trusts
5. Highest Compensation	14. Transfer Restrictions
6. Highest Officer	15. Joint Ventures
7. Managerial Experience	16. Full-time Control
8. Ownership – 51% Unconditional	17. Community Property
9. Service as Management Member of LLC	

This is on the website!

Complete the Verification Assessment Tool

https://www.research.net/s/Verification_Assessment_Tool

UNITED STATES
DEPARTMENT OF VETERANS AFFAIRS



Leave Assessment Tool

Verification Assessment Tool

- Verification process can be challenging for some
- An effort to aid our (VOSBs/SDVOSBs) with the verification process and applicability of the Veteran's First policies -- developed the Verification Assessment tool
- Designed to provide the (VOSBs/SDVOSBs) the opportunity to freely navigate the verification process, while gaining expert knowledge in the areas of eligibility and requirements as it pertains to your specific business.
- All (VOSBs/SDVOSBs) are encouraged to pilot the Verification Assessment Tool prior to applying for entry into the Veteran Information Pages (VIP) databases
- May improve your chances of a successful verification process.

Answer the questions on the Verification Assessment Tool to pre-qualify
https://www.research.net/s/Verification_Assessment_Tool

The core requirements for a small business to become verified are:

1. The Veteran owner(s) have **direct and unconditional ownership of at least 51%** of the small business (38 CFR 74.3) and have total unconditional control (full decision-making authority (38 CFR 74.4 (g)));
2. The Veteran **manages the company on both a strategic policy and a day-to-day basis** (38 CFR 74.4);
3. The Veteran **hold the highest officer position** (38 CFR 74.4 ©(2));
4. The Veteran should be the **highest compensated employee** unless there is a logical explanation otherwise, submitted by the Veteran as to how taking a lower salary than other employee(s) helps the business (38 CFR 74.4(g)(3)); and
5. The Veteran has the **managerial experience** of the extent and complexity needed to manage the company.

Answer the questions on the Verification Assessment Tool to pre-qualify
https://www.research.net/s/Verification_Assessment_Tool

NOTE:

- *This assessment is for informational purposes only*
- *no information is being collected other than the comments and feedback provided*
- *Tool is optional an anonymous and it's use does not guarantee eligibility for verification and inclusion in the veteran's first contracting program*

If you have any question or need additional clarification, please contact the CVE Helpdesk Support Staff (202) 303-3260



Learn as much as you can from the Verification Assessment Tool to pre-qualify
[https://www.research.net/s/Verification Assessment Tool](https://www.research.net/s/Verification%20Assessment%20Tool)

Begin Assessment Questionnaire – Recommended for startups and new applicants

- Go to How to Increase your Company's Probability of Verification
- Go to Document Rationale Section
- Go to Situations that may require a Letter of Explanation to be provided
- Go to How Ownership is Reviewed
- Go to How Control is Reviewed
- Go to Applying for Verification
- Go to Common Denial & Other Major Topics of Discussion
- Go to an Overview of the Verification Process
- Go to an Overview of the Simplified Re-verification Process



Learn as much as you can from the Verification Assessment Tool to pre-qualify
https://www.research.net/s/Verification_Assessment_Tool

Go to an Overview of the Site Visit Process

- Go to Frequently Asked Questions
- Go to Glossary of Terms
- Help Desk and Training Partner Question Index
- Comments/Feedback

Verification Application Pre-requisites

- Read the “Guide for Applicants” on VetBiz.gov
- Review 38 CFR 74 for ownership and control criteria
- Review the Verification Assistance Briefs on VetBiz.gov for more clarity on issues and requirements
- Gather all the documentations for your business type and scan them to a separate folder on your computer (this will make it easier during the submission process)





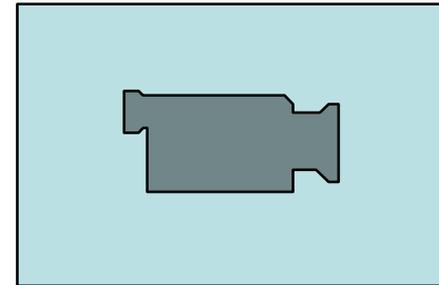
Questions?



Be The Veteran – Navigating The VIP Registration And Application Process



PRE-APPLICATION
Veteran reads the Verification briefs, completes Verification Assessment tool, and meets with Verification Assistance Counselor



The Application Video



INITIATION



Initiation Process



Initiations - Overview

- **Confirm eligibility** of all Veteran Owned Small Businesses (VOSB) and Service Disabled Veteran Owned Small Business (SDVOSB) applications
- **Review and validate** all required business documents submitted by the applicant



Initiations -- Process

- Applicant must **submit a VA Form 0877** – Verifies Eligibility/Ownership
- Ownership/Management (representatives)
 - Total ownership percentage (must equal 99% to 100%)
 - Changes to ownership/eligibility - new VA Form 0877
- **Confirm and validate veteran owner eligibility** for the VetBiz program through Beneficiary Identification Records Location Subsystem (BIRLS), SAMS, DD 214, VA disability rating letter or DoD disability rating letter; and, ensure not in the Excluded Parties List System (EPLS)
 - **BIRLS:** Managed by the Veterans Benefit Administration
 - **SAM:** System for Award Management consolidates the capabilities of FEDREG, ORCA, and EPLS,
 - **EPLS:** List reflects individuals who are not eligible to receive Government contracts



Initiations -- Getting started

- **Veteran owner completes and electronically signs VA Form 0877**
- Veteran **uploads required docs** based on business type (LLC, LLP, Sole Proprietorship, etc.)
 - All minority owners must sign the VA Form 0877
- **CVE reviews application** submittal to determine if additional documentation is required for Examination
 - Notifies Veteran if additional documentation is required or
 - Notifies Veteran when complete application received
- **Forwards application to Examination** upon receipt of required documentation and confirms complete application





Questions?



EXAMINATION

**DOCUMENTS ARE
CROSS-CHECKED**



Examination Process



Examination

- **60 day clock starts after complete application submitted**
- CVE performs a **complete document review**
- **Documents** provided by applicant **are examined**
- Examiners may contact company for **additional documents**
- Upon completion of the examination, **the examiner makes a recommendation** of approve, deny, site visit or further review



Examination Key Outputs

- Receipt of “complete” application
- Public research
- Examination of documents
- Examiners may contact company for additional documents
- Examination report
- Submission of recommendation to evaluation





Questions?



EVALUATION

EVALUATION OF APPLICATION



Evaluation Process



Evaluation

- The CVE staff Evaluator receives the file and **reviews the documents and examination report** to verify that the analysis was correct from the initial Examination phase
- All key elements from the **law are reviewed**
- Questions in **grey areas are referred up** the chain of command to OGC
- Key **documents** are thoroughly **checked**
- **Evaluator recommends** an approval, denial, or more evaluation required for determination



Evaluation – Further review recommendation

- Applications recommended for **further review go to the Risk Mitigation Team**
- **Further documentation may be requested** and reviewed
- A **site visit is recommended**, if required





Questions?



Simplified Renewal

- When: 2-year milestone
- Available to firms that have been verified under P.L. 111-275 (full document review)
- Firm must be visible in VIP
- Firm answers qualifying questions to determine whether changes have occurred since last verification



4 Qualifying Questions

- Please confirm that your profile in VIP is correct:
 - **Must be Yes for Simplified Designation**
- Has there been any change in the strategic decision-making authority or day-to-day management?:
 - **Must be No for Simplified Designation**
- Has there been any change to the organization's structure or ownership interests:
 - **Must be No for Simplified Designation**
- Has there been any change to owners(s):
 - **Must be No for Simplified Designation**



Simplified Renewal

- If **no changes** have occurred, firm receives new period of **eligibility for 2 years**
- **Post-approval audit** of documents (likely to occur)
- Random **Site visit** (higher probability)
- If **changes have occurred**, firm goes through Examination and Evaluation to verify eligibility
 - 30 days for “**minor**” changes
 - Up to 90 days for “**major**” changes



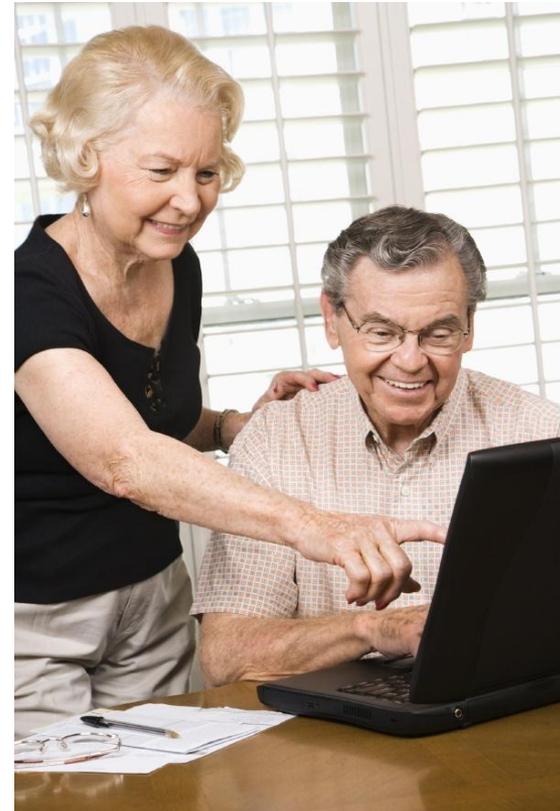


Questions?



**PRE-
DETERMINATION**

FIX EASILY CORRECTABLE DENIAL ISSUES



Pre-Determination Process



Pre-Determination Basics

- The process begins after Evaluation process is completed
- All findings in the Determination Letter are deemed Easily Correctable Issues:
 - Quorum restriction and/or weighted voting and decision making issues (singularly or combined) found in business and organizational documents 38 CFR § 74.4(d); 38 CFR § 74.4(e); 38 CFR § 74.4(f); and 38 CFR § 74.4(f)(2)(i).
 - Serve as management Member of LLC 38 CFR § 74.4(e).
 - Community Property 38 CFR § 74.3(f)
 - Living Trust and direct ownership 38 CFR § 74.3(a).
 - Highest compensation for Veteran 38 CFR § 74.4(g)(3).
 - Highest officer position 38 CFR § 74.4 (c)(2).
 - Ownership 51% Unconditional 38 CFR § 74.3.



Pre-Determination Basics (continued)

- No other issues are identified
- Case is sent to the Pre-determination Team
- Pre-Determination Team reviews case and accepts case
- Notes that case is with Pre-Determination Team made in VCMS
- All Documents and emails received by Pre-Determination Team uploaded to VCMS 10.3
- Email is sent to the Applicant laying out following process:



Pre-Determination Basics (continued)

- The Veteran has **three initial options** with this program:
 - 1. Deny the opportunity to participate in the Pre-Determination Findings Process (PDF) and accept the determination letter based on current findings without further submission of any business documents.
 - Withdraw the Applicant Company and attempt to correct the business documents and related issues when ready.
 - Participate in the Pre-Determination Process agreeing to the below stipulations:
- The Veteran owner of the Easily Correctable Issues has five **(5) business Days** to correct the issue(s) by submitting additional documentation or corrected business documents in the designated e-mail mail box.
- There will be **no extensions**.



Pre-Determination Basics (continued)

- In order to be eligible to participate in this Pre-Determination process, the Veteran owner must respond **via email within 48 hours indicating that he/she accepts the terms of this letter** and would like to participate. Emails must be sent to: (predetermination.team@va.gov Subject: Pre- Determination Attention: Name of Sender Company Name, DUNS)
- **The official CVE Regulatory aging clock will stop during the process.**
- If no additional documentation is provided, CVE will issue the determination letter without the Applicant's additional input.
- Correction or changes to any business documents not associated with the identified "Easily Correctable Issues" listed above may result in a complete review and heighten the possibility of an adverse determination (denial letter or voluntary applicant withdrawal).



Pre-Determination Basics (continued)

- Within the five (5) days, the applicant may withdraw its application until such time as it is ready to re-apply. This option is advisable if more time than five (5) days is needed to correct the above listed issues.
- This letter will be followed up by a phone call to the applicant.
- If no one answers at the Applicant's phone number, a message will be left and a second call will be attempted the following day.
- If no answer officially accepting this offer from the Applicant is received within 48 hours by email, CVE will deem that to mean non-acceptance of the terms of this procedure and process a determination letter based on findings listed above.
- Specific change in language will not be dictated or coached by the Pre-Determination Team.



Pre-Determination Basics (continued)

- **This process is not a guarantee** for an approval letter; however, it can help clear the applicant's issues quicker than if the applicant were to receive a denial letter and submit a request for reconsideration.
- In the event the Applicant cannot be reached, the determination letter will be forwarded to the Applicant
- If documentation submitted as part of this process does not adequately address the above issues or new issues are raised due to submitted documents, CVE will send a second email that will allow applicants to either one (1) accept a determination letter based on the above issues or two (2) withdraw their application and correct the issues via the initial application process.
- Applicants that choose withdrawal as part of this process will have 48 hours to request that option and another 48 hours to complete the withdrawal via their VetBiz VIP profile (96 hours total to withdraw from the system after second email sent).



Pre-Determination Basics (continued)

- If Applicant desires help in the Verification Process at any point CVE recommends going to:
<http://www.va.gov/osdbu/veteran/vapVCP.asp> or review the Verification Assistance Briefs found at
<http://www.va.gov/osdbu/veteran/vap.asp> (Using either of these resources does not extend any timelines listed in this email).
- Noncompliance with the notification to withdraw timelines listed above will result in CVE issuing a determination letter based on above listed issues.
- If the submitted documentation adequately addresses all above issues, CVE will send an approval letter via email and designate the applicant as approved on the VETBIZ web site in accordance with 38 Code of Federal Regulations Part 74.



Pre-Determination Basics (continued)

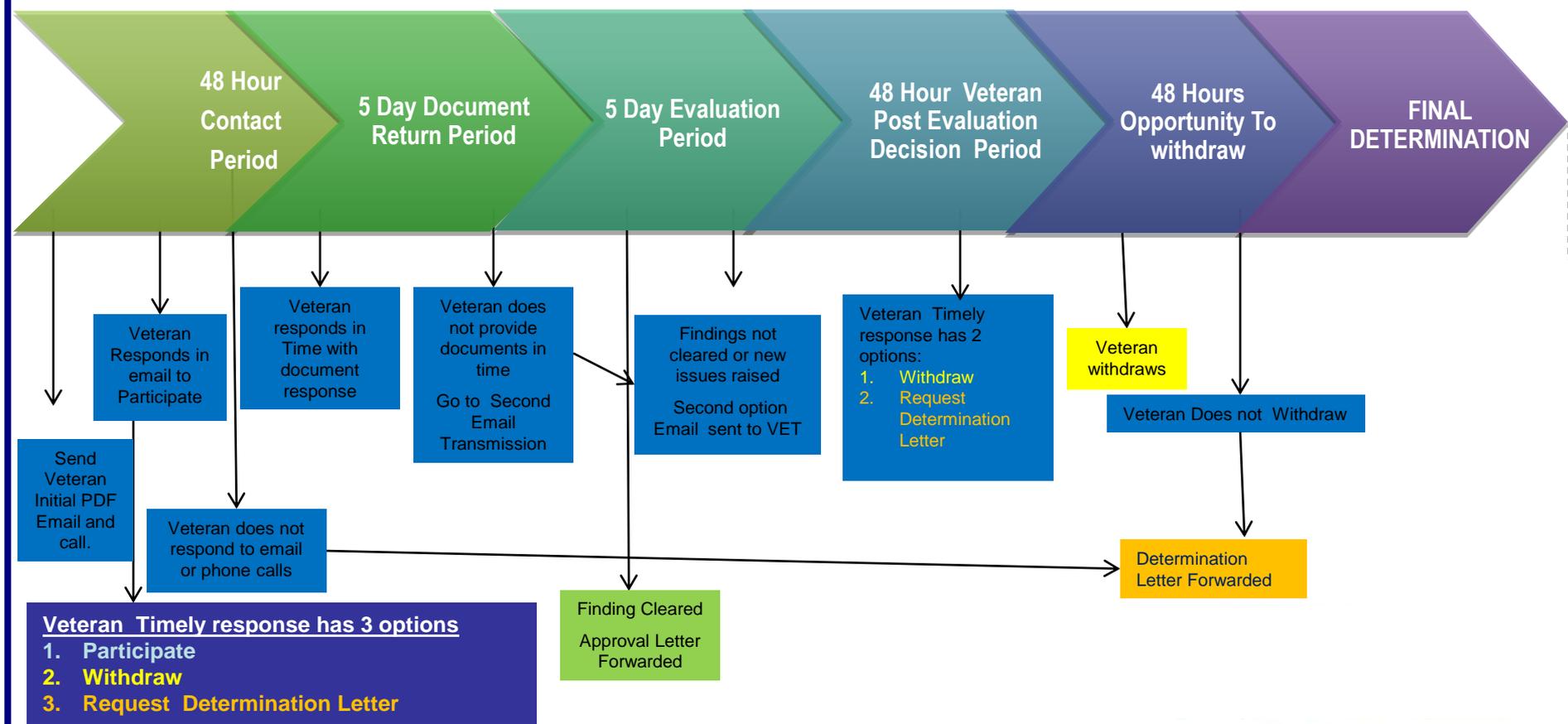
- The Pre-Determination Team will accomplish the review in 5 business days after receipt of any additional documents from the Applicant
- The Evaluation SOP will be used for the review process
- Recommended approval cases will be forwarded to the Evaluation Approval Queue
- Recommended Denial Letters will be sent for Federal Review as part of the Evaluation Denial Queue
- All requests by Applicants to speak with the Pre-Determination Team should be forwarded to the Evaluator via the email address in CVE correspondence
- All correspondence from Pre-Determination Team Members should come from the predetermination.team@va.gov in box.



Department of Veterans Affairs (VA)

Pre- Determination –Findings (PDF) Time Line

Center for Veterans Enterprise (CVE) Verification Process





Questions?



RE-
CONSIDERATION

REQUEST FOR RE-CONSIDERATION (R4R) PROCESS



Request for Reconsideration (R4R)

- **Follow instructions outlined in initial denial letter** to prevent processing delays
- **Every R4R will receive a complete examination** and evaluation of all documents, including the original documents and those submitted in support of the R4R
- **Site visits may occur** to gain further clarification
- **A final denial** requires the participant to **wait for six months** before a new application will be processed (38 CFR § 74.14)





Questions?



DETERMINATION

GET THE DECISION



Determination Process

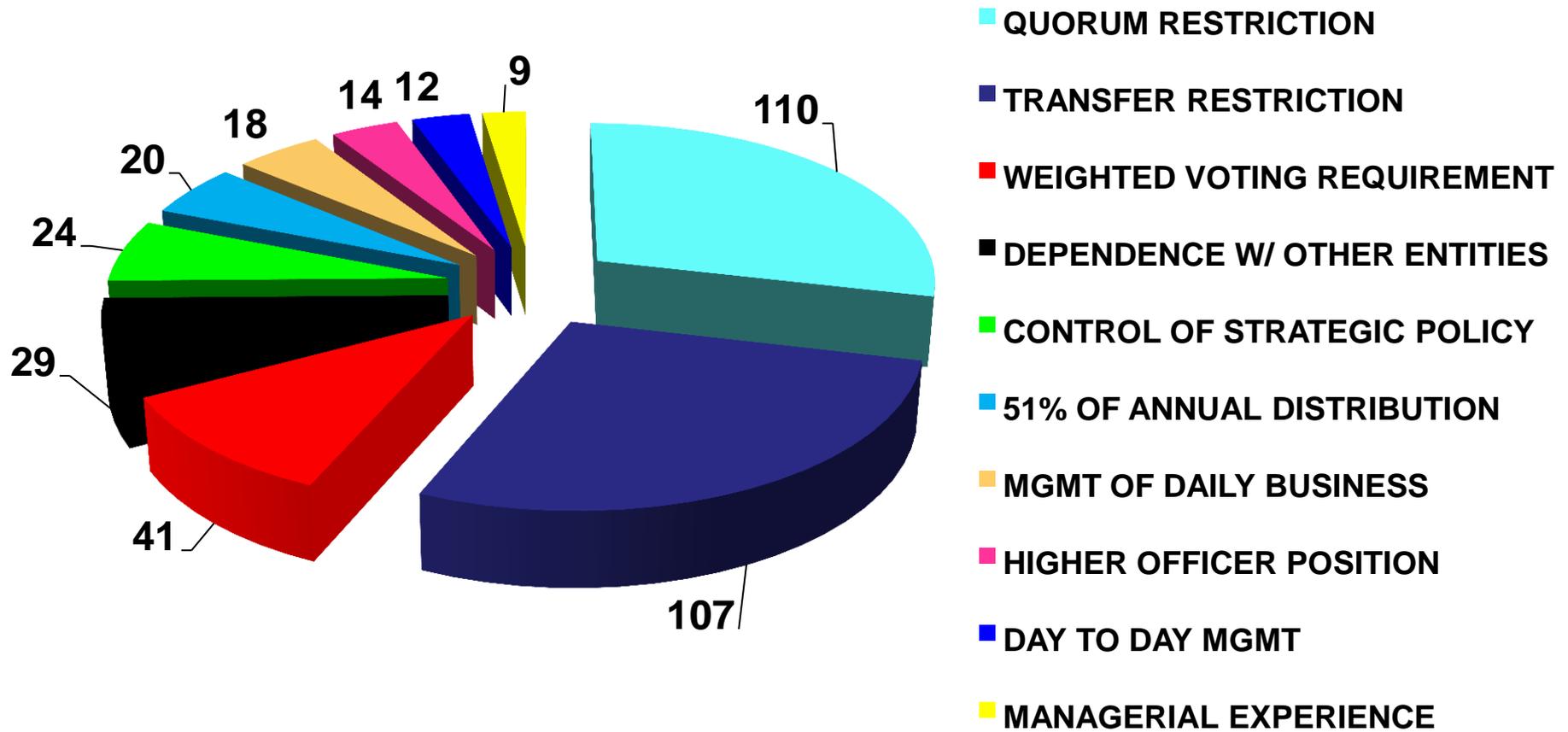


Determination

- Once examination and site visits are complete, the **evaluation team evaluates the file** and makes a determination
- **Denials often based on a single point of failure** (ownership/control)
- Determination **letter is signed and emailed** to the Veteran
- **Approved companies** have their company name and verification logo **visible in VIP**
- **Denied companies have 30 days to file a request for reconsideration**



Top 10 Reasons for Denial in Jan 2013





Questions?



PROCESS FUNCTION :
RISK MITIGATION & SITE VISITS





Risk Mitigation Team



- **Validation:** Focuses on **pre**-verification activities to ensure VOSB/SDVOSB verification as stipulated in 38 CFR Part 74
- **Program Integrity:** Focuses on **post**-verification activities ensuring the verified VOSB/SDVOSB operate within the parameters identified in 38 CFR Part 74.



It's in the
Training
Guide! Look
on Page:

Risk Mitigation Team

Pre- Verification - Validation

Part of Initial Evaluation

The primary mechanism:

Site Visits

- Announced
- Unannounced
- Document Reviews



It's in the
Training
Guide! Look
on Page:

Risk Mitigation Team

Post Verification: Program Integrity

- Ensures verified firms remain in accordance with 38 CFR Part 74
- Evaluate verified companies in VIP:
 - Random checks based on predetermined risk criteria
 - Prior Status Protest
 - Companies making substantial structural/organizational changes soon after verification
 - Focused based on various input sources
 - Examination or Evaluation team findings





Questions?



Support Functions:

- **Contact Center**
- **VA Internet Quorum**
- **Quality Assurance**



GET GREAT SERVICE



Contact Center Process



Customer Service

- **Help Desk**
 - First contact resolution
 - Involve general questions regarding a Veterans current status and process inquiries
- **Customer Service**
 - Identify risk
 - Application status checks
 - Profile password and VA Form 0877 resets
 - Logo status issues
 - Additional research / authorization to change logo



Contact Center / Help Desk

- Available Mon-Fri from 8AM-8PM EST
- Contact via phone or email
 - Phone: 202-303-3260
 - Email: vip@va.gov





Questions?



SUPPORT FUNCTION : QUALITY ASSURANCE / IT



Federal Team Lead: Tyrone Brown

Information Technology



- Responsible for maintaining the smooth execution of the VCMS/VIP technology platform

Records Management



- Manages the controlled documents and records on both internal business processes and those related to the application process inherent in the VCMS/VIP system.

Productivity Analytics



- Monitors, tracks and measures the setting and completion of targets for each competency group in line with meeting strategic goals and objectives

Quality Assurance



- QA assures CVE's compliance with law, regulations, policies, processes, and ISO standards.
- Manages audits, improvement plans, processes and policies.

Learning & Development



- Assesses, creates and facilitates training solutions aligned to business goals, objectives and performance targets

Quality Assurance



Questions?



Summary of Macro Process Steps of an Application:

Steps	Responsible	Task
1	VOSB/SDVOSB	<ul style="list-style-type: none"> • Read the Verification Assessment Briefs • Meet with a Verification Assistance Counselor
2	VAP Counselors	<ul style="list-style-type: none"> • Explain the Verification Assessment Tool & Verification Process
3	VOSB/SDVOSB	<ul style="list-style-type: none"> • Create User Account • Sign 0877 • Upload documents
4	Initiation	<ul style="list-style-type: none"> • Review application/documents for completeness
5	Examination	<ul style="list-style-type: none"> • Cross reference research against application/documents • Make initial recommendation
6	Evaluation	<ul style="list-style-type: none"> • Legal review and cross check • Give concurrence or further recommendations
7	Determination	<ul style="list-style-type: none"> • Approval / Denial / Hybrid letter of determination is issued
8	Reconsideration	<ul style="list-style-type: none"> • Relooks at application for completeness and remedy of concerns highlighted in previous denial letter
9	Final Determination	<ul style="list-style-type: none"> • Approves/Denies application with reasons



AGENDA

TIME	TOPIC	FACILITATORS
9:00-10:15	<ul style="list-style-type: none"> • Welcome and Introductions • Today's Expectations • Verification Process Framework: Questions and Answers 	<ul style="list-style-type: none"> • Thomas Leney, Executive Director, OSDDBU • Chanel Bankston-Carter, Director, Strategic Outreach, OSDDBU • Michelle Gardner-Ince, Director, CVE, OSDDBU
<u>15 minute BREAK</u> 10:30 – 12:30	<ul style="list-style-type: none"> • “Be The Veteran” Verification Process Simulation and SME Panel Discussion 	<ul style="list-style-type: none"> • Verification Counselor • VCMS/VIP • Initiation • Examination • Evaluation • Determination • Request For Reconsideration • Risk & Site Visits • Contact Center • QA & IT
<u>45 Min. LUNCH BREAK</u> 1:15 – 2:15 2:30 – 3:30 3:30 - 4:30	<ul style="list-style-type: none"> • Title 38 CFR Part 74 Regulation – Top Ten Reasons for Denial Overview • OGC Top Ten Debrief • Title 38 CFR Part 74 Regulation – Case Review 	<ul style="list-style-type: none"> • Dennis Foley, Office of General Counsel • Dennis Foley & Harry Alexander, CVE, Facilitator • Harry Alexander, CVE, Facilitator
4:30 – 5:00	<ul style="list-style-type: none"> • Final Remarks 	<ul style="list-style-type: none"> • Michelle Gardner-Ince, Director, CVE

BASIC ELIGIBILITY REQUIREMENTS



Veteran status

Ownership

Control



It's in the Training Guide! Look on Page: 23

TRANSFER RESTRICTION (ALSO UNCONDITIONAL OWNERSHIP)

38 CFR 74.3 (b)

For ownership to be unconditional, it “must not be subject to conditions precedent, conditions subsequent, executor agreements, voting trusts, restrictions on assignments of voting rights, or other arrangements causing or potentially causing ownership benefits to go to another (other than after death or incapacity).”

It's in the Training Guide! Look on Page: 24

51% OF THE ANNUAL DISTRIBUTION

38 CFR 74.3 (d)(1)

A service-disabled Veteran must be entitled to receive, “[a]t least 51 percent of the annual distribution of profits paid to the owners of a...LCC applicant or participant.”



It's in the Training Guide! Look on Page: 24

CONTROL OF STRATEGIC POLICY AND DAY TO DAY OPERATIONS

38 CFR 74.4 (b)

Control is not the same as ownership, although both may reside in the same person. CVE regards control as including both the strategic policy setting exercised by boards of directors and the day-to-day management and administration of business operations.

“An applicant or participant’s management and daily business operations must be conducted by one or more...service-disabled veterans...”

It's in the Training Guide! Look on Page: 24

HAVE MANAGERIAL EXPERIENCE

38 CFR 74.4 (b)

In addition, “...Individuals managing the concern must have managerial experience of the extent and complexity needed to run the concern. A veteran need not have the technical expertise...if he or she can demonstrate that he or she has ultimate managerial and supervisory control over those who possess the...technical expertise...”



It's in the Training Guide! Look on Page: 25

It's in the Training Guide! Look on Page: 25

TECHNICAL LICENSE

38 CFR 74.4 (b)

“ . . . where a critical license is held by a non-veteran having an equity interest in the applicant or participant firm, the non-veteran may be found to control the firm.”

HIGHEST OFFICER POSITION

38 CFR 74.4 (c)(2)

According to 38 CFR § 74.4(c)(2), “[a]n eligible full-time manager must hold the highest officer position (usually President or Chief Executive Officer) in the applicant or participant.”



It's in the Training Guide! Look on Page: 25

It's in the Training Guide! Look on Page: 25

MANAGEMENT OF DAILY BUSINESS AND FULL TIME DEVOTION DURING NORMAL WORKING HOURS

38 CFR 74.4 (c)(3)

“An applicant or participant’s management and daily business operations must be conducted by one or more...service-disabled veterans...” 38 CFR § 74.4(b). Moreover, “[o]ne or more...service-disabled veteran owners who manage the applicant or participant must devote full-time to the business during normal working hours...”

QUORUM RESTRICTION

38 CFR 74.4 (f)

38 CFR 74.4 (f)(2)(i)

For a corporation to qualify as a SDVOSB, “[o]ne or more ... service-disabled veterans must control the board of directors of a corporate applicant” and “[p]rovisions for the establishment of a quorum cannot permit non-veteran directors to control the board of directors, directly or indirectly.”



It's in the Training Guide! Look on Page: 26

TRANSFER OF OWNERSHIP AND CONTROL WITHIN 2 YEARS

38 CFR 74.4(h)

“Non-veterans who transfer majority stock ownership or control of the firm to an immediate family member within 2 years prior to the application and remain involved in the firm as a stockholder, officer, director, or key employee of the firm are presumed to control the firm. The presumption may be rebutted by showing that the transferee has independent management experience necessary to control the operation of the firm, and indeed is participating in the management of the firm”

It's in the Training Guide! Look on Page: 25

WEIGHTED VOTING REQUIREMENT

38 CFR 74.4 (f)(2)

“ . . . veteran(s) upon whom eligibility is based must control the board of directors through actual numbers of voting directors or, where permitted by state law, through weighted voting (e.g., in a concern having a two-person board of directors where one individual on the board is a veteran and one is not, the veteran vote must be weighted—worth more than one vote”



It's in the
Training
Guide! Look
on Page: 26

DEPENDENCE ON OTHER ENTITIES

38 CFR 74.4 (i)(4)

Non-Veterans or entities may be found to control or have the power to control . . . [when] . . . “[b]usiness relationships exist with non-veterans or entities which cause such dependence that the applicant or participant cannot exercise independent business judgment without great economic risk.”



AGENDA

TIME	TOPIC	FACILITATORS
9:00-10:15	<ul style="list-style-type: none"> • Welcome and Introductions • Today's Expectations • Verification Process Framework: Questions and Answers 	<ul style="list-style-type: none"> • Thomas Leney, Executive Director, OSDDBU • Chanel Bankston-Carter, Director, Strategic Outreach, OSDDBU • Michelle Gardner-Ince, Director, CVE, OSDDBU
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4:30 – 5:00	<ul style="list-style-type: none"> • Final Remarks 	<ul style="list-style-type: none"> • Michelle Gardner-Ince, Director, CVE

Title 38 CFR Part 74 Regulation Case Review

Special Instructions – Online Participants:

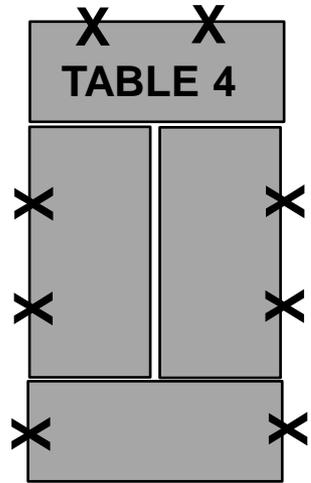
- Go to the following link to access this sections questions

<https://adobeformscentral.com/?f=MfGh3JSRn3NcfBqKGncj0A>

- Select whether what Veteran Business Type you want to review: (SDVOSB or VOSB). Read case instructions and answer associated questions.
- SUBMIT COMPLETED WORK SHEET OF BOTH SECTIONS FOR 20% PARTICIPATION GRADE TOWARD OVERALL SCORE FOR VERIFICATION! 😊

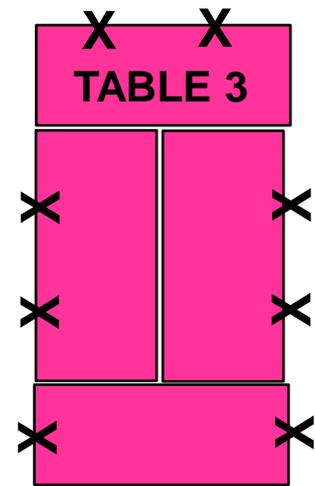


Tyrone Brown



SDVOSB

Gary Valentine



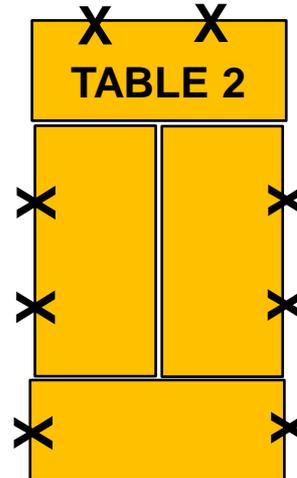
VOSB



Harry Alexander

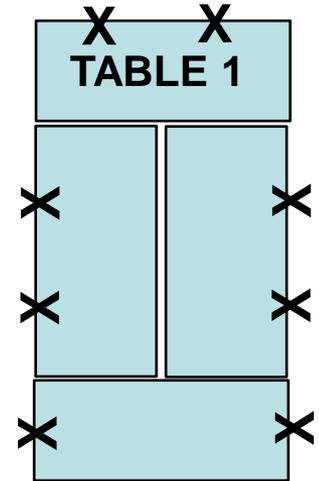
Regulation SME
CVE, Facilitator

Zina White



SDVOSB

John Perkins



VOSB

Simulation Process Points:

- Four teams 6-8 people per table
- Same case, Two teams to review a SDVOSB, Two Teams to review a VOSB
- Objective: Apply pre-course and in-class materials to determine correct answers
- Teams feedback in plenary, with CVE Regulations SME, Harry Alexander

CASE SCENARIOS AND QUESTIONS:

Business Profile:

- This is a Woman-owned, service-disabled, Limited Liability Company (LLC)
- Elizabeth Marshall is a service-disabled Veteran who is listed as the Vice President in the Operating Agreement
- Nikita Johnson is a non-Veteran, who is listed as the President in the Operating Agreement
- Elijah Walker is a non-Veteran, listed as the General Manager of the Firm



CASE 1 - SCENARIOS AND QUESTIONS:

Legend

- V = Veteran**
- SDV = Service Disabled Veteran**
- NV = Non-Veteran**

**Case 1: The Matrix - Information Technology Company
Business Type - Limited Liability Company (LLC)**

This is a Veteran-owned Company

Business Owners, Veteran Status and Shareholding:

Elizabeth Marshall (SDV) – 40%	Vice President, holds an MBA in Economics
Kevin Roodeport (SDV) – 15%	CFO
Leander Peterson (V) – 15%	Director of HR
Deepak Datta (NV) – 10%	Director of IT
Nikita Johnson (NV) – 12%	President, COO
Dylan Martin (NV) – 4%	Director of Communications
Elijah Walker (NV) – 2%	General Manager, holds Technical IT License
Michael Briggs (NV) 2%	Director of Quality

CASE 2 - SCENARIOS AND QUESTIONS:

Legend

- V = Veteran**
- SDV = Service Disabled Veteran**
- NV = Non-Veteran**

Case 1: The Matrix - Information Technology Company Business Type - Limited Liability Company (LLC)

This is a Service-disable Veteran-owned Company

Business Owners, Veteran Status and Shareholding:

Elizabeth Marshall (SDV) – 40%	Vice President, holds an MBA in Economics
Kevin Roodeport (SDV) – 15%	CFO
Leander Peterson (V) – 15%	Director of HR
Deepak Datta (NV) – 10%	Director of IT
Nikita Johnson (NV) – 12%	President, COO
Dylan Martin (NV) – 4%	Director of Communications
Elijah Walker (NV) – 2%	General Manager, holds Technical IT License
Michael Briggs (NV) 2%	Director of Quality



CASE 1 & 2 SCENARIOS AND QUESTIONS: (continued)

The Operating Agreement says the following:

- In order to have a Quorum, at least 51% of the member units must be present
- Every Shareholder has one vote for each member unit owned
- In order to transact business, a majority of no less than 75% of the outstanding member units must vote in favor of the action
- Elijah Walker’s K-1 tax form show that he is 90% Owner
- Elizabeth Marshall’s K-1 tax form show that she is 10% Owner
- The Operating Agreement identifies the President as the chief operating officer of the company, in charge of the day-to-day operations
- The General Manager is identified in the Operating Agreement as the manager of the concern

Case Questions:

- 1. Reference at least 3 sections of Title 38 CFR Part 74 which are relevant to this case. After each reference, give a written explanation as to why these sections are relevant.**

- 2. If a majority of no less than 75% of the outstanding member units must vote in favor of the action, and only the Veterans and service-disabled Veterans were present in a meeting, would they have enough voting power to enact a decision? How does this situation advantage or disadvantage the Veterans & service-disabled Veterans?**



Macro Process Steps of an Application:

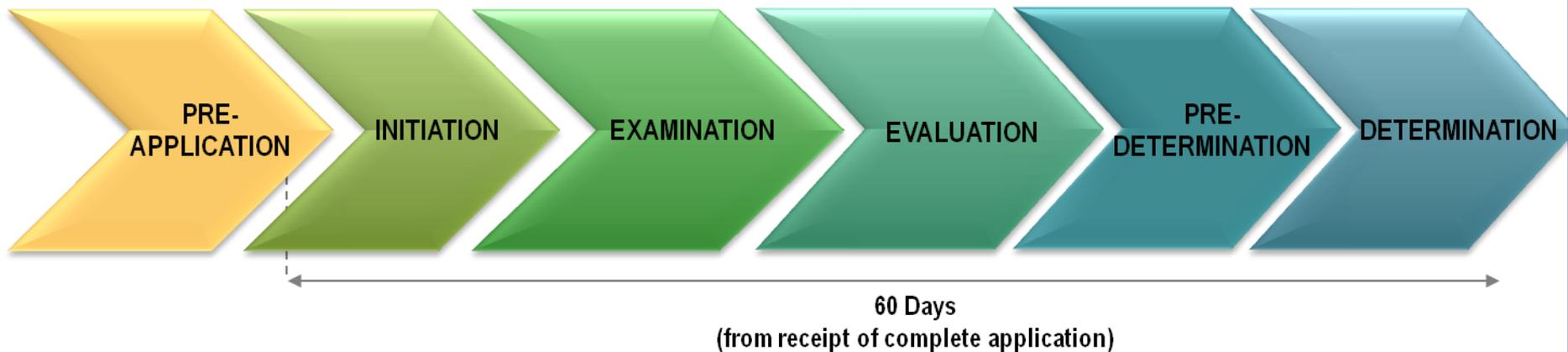
Steps	Responsible	Task
1	VOSB/SDVOSB	<ul style="list-style-type: none"> • Read the Verification Assessment Briefs • Meet with a Verification Assistance Counselor
2	VAP Counselors	<ul style="list-style-type: none"> • Explain the Verification Assessment Tool & Verification Process
3	VOSB/SDVOSB	<ul style="list-style-type: none"> • Create User Account • Sign 0877 • Upload documents
4	Initiation	<ul style="list-style-type: none"> • Review application/documents for completeness
5	Examination	<ul style="list-style-type: none"> • Cross reference research against application/documents • Make initial recommendation
6	Evaluation	<ul style="list-style-type: none"> • Legal review and cross check • Give concurrence or further recommendations
7	Determination	<ul style="list-style-type: none"> • Approval or Denial letter of determination is issued
8	Reconsideration	<ul style="list-style-type: none"> • OGC to review all documents to reconsider determination
9	Final Determination	<ul style="list-style-type: none"> • Approves/Denies application



Department of Veterans Affairs (VA)

VetBiz Verification Program

Center for Veterans Enterprise (CVE) Verification Process - Stages

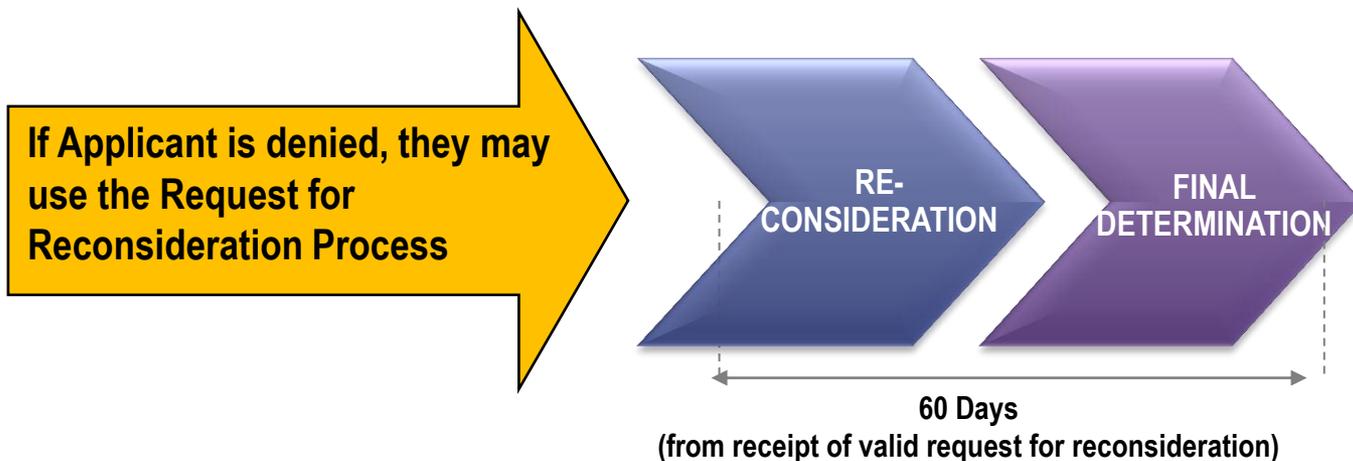


<u>PRE-APPLICATION</u>	<u>INITIATION</u>	<u>EXAMINATION</u>	<u>EVALUATION</u>	<u>PRE-DETERMINATION</u>	<u>DETERMINATION</u>
Veteran reads the Verification briefs, completes Verification Assessment tool, and meets with Verification Assistance Counselor	Veteran submits complete application with supporting documentation and CVE confirms Veteran status	CVE conducts initial examination of the application and supporting documentation	CVE performs detailed evaluation of the business for eligibility into program	CVE allows five business days to resolve easily correctable findings leading to denial	CVE issues eligibility decision on application

Department of Veterans Affairs (VA)

VetBiz Verification Program

Center for Veterans Enterprise (CVE) Verification Process - Stages



RECONSIDERATION
Veteran appeals for reconsideration of CVE's denial decision

FINAL DETERMINATION
CVE issues decision on Veteran's appeal



VETBIZ.gov

VETERANS IN BUSINESS-STILL SERVING AMERICA



QUESTIONS?



US DEPARTMENT OF VETERANS AFFAIRS ★ CENTER FOR VETERANS ENTERPRISE