



Legal Organization (Formation)

Issue:

This brief explains the requirement that a firm must obtain and keep its charter required to operate the business to qualify for the Veterans First Contracting Program.

The Regulations:

13 CFR § 125.13(g) provides:

Licenses. A firm must obtain and keep current any and all required permits, licenses, and charters, required to operate the business.

What This Means:

A concern applying for the Veterans First Contracting Program must be a legal entity.

- **Limited Liability Company (LLC):** An LLC is formed through the filing of organizational documents (Articles of Organization) with a governmental unit within the United States such as a state, a territory, the District of Columbia, or Puerto Rico.
- **Corporation:** A corporation is formed through the filing of organizational documents (Articles of Incorporation) with a governmental unit within the United States such as a state, a territory, the District of Columbia, or Puerto Rico.
- **Sole Proprietorship:** A sole proprietorship is a one-person business that, unlike corporations and LLCs, does not have to register with the state in order to exist. However, some jurisdictions may require a D/B/A or fictitious name filing in order to operate. Check state and county laws to determine if registration is required.
- **Partnerships:** There is no specific state filing required to create a general partnership, such as Articles of Organization or Articles of Incorporation. To create a partnership, the parties to the partnership must execute a partnership agreement, which is considered the formation document. However, most jurisdictions require limited liability partnerships to file a Certificate of Limited Partnership or a similar required filing. On a case-by-case basis, CVE must confirm whether there are any state law filing requirements for a Partnership.
- **Foreign filing.** If the business entity is outside of the state of its initial registration or the business entity is conducting business outside of its primary place of business, the state may require a foreign entity filing to conduct business within the state, unless state law requires otherwise.

To remain eligible in the VIP database, a business entity must remain in good standing following its initial registration in the state of its organization and any jurisdiction in which it conducts business and has a foreign business filing. This is generally accomplished by filing with each state a bi-annual report and paying a required fee.

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For more information about VA Small and Veteran Business Programs, visit <http://www.va.gov/osdbu>.

**VA Office of Small and Disadvantaged
Business Utilization**

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