



Proving a Veteran Holds Highest Officer Position

Issue:

This brief explains the verification requirement that the applicant must provide current documentation that a Veteran is the applicant's highest officer.

(For purposes of this brief, the regulations when referring to Service-Disabled Veterans applies equally to Veterans; applicant refers to the business entity applying for verification; and participant refers to a business entity that has already been verified.)

The Regulations:

13 CFR § 125.11 provides:

Veteran owned small business concern means a small business concern:

(1) Not less than 51 percent of which is owned by one or more veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans. All of the provisions of subpart B of this part apply for purposes of determining ownership and control.

13 CFR § 125.13(b) provides that “[a] service-disabled veteran (or in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran) must hold the highest officer position in the concern (usually President or Chief Executive Officer)... ”

What This Means:

- Subpart B as referred to in 13 CFR § 125.11 is saying that anywhere in the regulations where the term Service-Disabled Veteran is used, it is equally applicable to Veterans for purposes of determining eligibility.
- The Center for Verification and Evaluation (CVE) will find that the requirement of 13 CFR § 125.13(b) has been satisfied where the applicant demonstrates that a Veteran is the highest-ranking officer of the applicant. Typically, the highest-ranking officer position is that of president, chief executive officer (CEO), managing member, or managing partner.
- The applicant should provide current documentation such as by-laws, board resolutions, meeting minutes, an operating agreement, or a partnership agreement that identifies a Veteran as the highest officer.
- CVE recognizes that the highest ranking officer cannot make every single decision regarding the operation of the applicant. CVE also recognizes that in order for a business to function effectively, delegation of tasks and responsibilities is often critically important. However, the applicant must demonstrate that a Veteran occupies the highest officer position, which maintains ultimate supervisory control over delegated operational responsibilities assigned to non-Veteran officers and other employees. This is the key factor for CVE to determine whether the requirement of 13 CFR § 125.13(b) has been satisfied.

- Applicants should ensure that their business documentation is up-to-date with the business' current practices and management responsibilities. Ambiguities in documentation will weigh against the applicant. For example, if the Veteran is identified as CEO and a non-Veteran is named the president, but the business documentation only defines the management responsibilities and duties of a president and not the duties and responsibilities of the CEO, CVE would be unable to reasonably conclude that a Veteran holds the highest officer position.

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