

Date: September 23, 2022

From: Executive Director, Office of Small and Disadvantaged Business Utilization (OSDBU), Department of Veterans Affairs (VA)

Subj: Guidance for VA-Verified Firms Concerning Transfer of Verification Function to Small Business Administration (SBA)

To: Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) and Veteran-Owned Small Businesses (VOSBs) Verified as Such by VA in the Vendor Information Pages (VIP)

1. **Action Needed.** Generally, SDVOSBs and VOSBs listed as verified in VIP will not need to take action for SBA to recognize their certification. An exception applies for SDVOSBs and VOSBs whose verification expires before the verification function transfers to SBA on January 1, 2023, and which seek to continue competing for VA set-aside or sole source contracts under the Veterans First program. These expiring firms must submit an application for reverification no later than October 24, 2022. Applicants seeking reverification and whose business ownership and control have not materially changed since their last verification may qualify for a simplified reverification.

2. **Background.** By law, VA's current responsibility to verify SDVOSBs and VOSBs will transfer to SBA effective January 1, 2023. This date is referred to in the law as the "transfer date." In addition, to compete for contracts as SDVOSBs in Federal agencies other than VA, SDVOSBs will need to apply for and obtain certification from SBA.

3. **Effect of VA Verification.** In assessing Veteran or Service-Disabled Veteran ownership and control of a small business, VA and SBA apply the same regulations. Moreover, protests and appeals of SDVOSB and VOSB status are considered and determined by the same decision-maker, the SBA Office of Hearings and Appeals. Firms holding VA verification as of January 1, 2023, will transition to SBA-certified firms and will be able to use that certified status in competing for contracts at VA as well as at other Federal agencies.

4. **Period of Eligibility.** SDVOSBs and VOSBs holding VA verification as of January 1, 2023, will retain the same period of eligibility as originally designated by VA. Generally, VA verification is valid for 3 years from the date of a firm's verification letter.

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5. **Recommendation**. Unless the exception described in paragraph 6 applies, VA-verified SDVOSBs and VOSBs should take no action until after the January 1, 2023, transfer date, and then submit an application to SBA prior to expiration of their eligibility period as described in paragraph 4.

6. **Exception**. An exception applies if the VA-verified firm's eligibility expires prior to the January 1, 2023, transfer date. An eligibility period that has lapsed prior to the transfer date will remain expired. Firms seeking to hold SBA certification based on an expiring VA verification decision must apply for VA reverification on or before October 24, 2022. VA provides a simplified reverification for small businesses whose ownership and control have not materially changed since their previous verification, so applicants should be prepared to respond to screening questions to determine whether they are eligible for this expedited process.

7. **Deadline**. As part of the transfer process, VA's Center for Verification and Evaluation (CVE) will cease accepting new applications for verification at 5:00 p.m., Eastern Daylight Time, on October 24, 2022. A firm must submit its completed reverification package (or simplified reverification package, if applicable) prior to that deadline. As part of processing these submitted applications, CVE may request additional or supplemental information or documentation, which an applicant should submit promptly.

8. **Reversion to Self-Certified SDVOSB Status**. A VA-verified SDVOSB whose eligibility lapses prior to the January 1, 2023, transfer date will automatically revert to its self-certified SDVOSB status as registered in the System for Award Management, if its eligibility lapses solely due to passage of the expiration date and not due to a determination that the firm is ineligible. Self-certified SDVOSBs may continue to participate in the SBA program for contracts at agencies other than VA, based on a grace period provided by law. For more information, see the Memorandum on Guidance for Self-Certified SDVOSBs.

9. **Reversion to Self-Certified VOSB Status**. Because verified VOSB status is required for VA contracts, and no other Federal agency has authority to set-aside or sole-source to VOSBs, self-certified VOSB status does not establish eligibility for contracting.

10. **Special Guidance for New Entrants**. Small business start-ups and new entrants holding VA verification and beginning to compete for Federal contracts should consult their verification letter to confirm their eligibility period. Most start-ups and new entrants should not be expiring before January 1, 2023. Their eligibility under the SBA program should be determined based on paragraph 4, above.

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11. If you have questions, please call the VA Office of Small and Disadvantaged Business Utilization at 866-584-2344. As always, thank you for your service to our nation.

/s/

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