

Introduction

Various Small Business Administration programs have been created by Presidential Executive Order to better assist service-disabled veterans create their own company. Such programs are President Clinton's *Veterans Entrepreneurship and Small Business Development Act of 1999*, President Bush's *Veterans Benefit Act of 2003*, and *Executive Order 13360*.



For a service-disabled veteran who has left military service and wishes to start their own company and enter the area of government procurement, much of the publicly available information on creating your own company is numerous, overwhelming, and over-generalized. The Tri-Cities Veteran Entrepreneurs Coalition has put out this guide, because a simple and concise guide for a service-disabled veteran wishing to enter government procurement is not readily available. Details on these Acts may be found on: <http://www.sba.gov/vets/acts.html>.



Assumptions

It is assumed that a service-disabled veteran already has a business plan, whether written or not, and knows what type of business they should engage in and what types of services or products to offer. It is also assumed that any Veteran wishing to start their own business already knows if their business plan is capable of offering services and products required by the Government.

A service-disabled veteran should realize that this guide is purposely kept short and focused. Any topics not covered or questions that may arise must be further researched starting with the sources given.



Steps required to become a legitimate service-disabled veteran vendor in the eyes of the U.S. Government

1. Create the legal entity
2. File Federal paperwork
3. File Federal tax return
4. File State paperwork
5. Government procurement requirements

Create the legal entity

Incorporate

To be considered a valid vendor by the U.S. Government you will need to have a legal entity, such as a corporation. While there are other legal entities such as LLCs, corporations seem to be more common place because of the S-Corp tax status which is helpful for a small business and for a business that plans on operating for an unspecified amount of time. Corporations are chartered by the State and each State has slightly different procedures.

One of the procedures most States have in common is the filing a formal application and providing the company's *Articles of Incorporation*. The articles state several legal definitions such as: the company's name, purpose, amount of shares, lifespan, etc. Templates for creating company articles may be found on the Internet. After receiving the charter, immediately apply for a FEIN and file the S-Election form with the IRS. Incorporation is easily done online at <http://www.secstate.wa.gov/corps>. Further details on incorporating may be found on: http://www.sba.gov/starting_business/legal/forms.html.

File Federal Paperwork

Apply for FEIN with IRS

A Federal Employer Identification Number will be required in order to obtain a Master Business License. Additional information and the applications are found on the IRS website at: <http://www.irs.gov/businesses/small/article/0,,id=98350,00.html>.

File IRS S-Election Form

S-Corporations eliminate double taxation for small sized corporations and are therefore the preferred tax status. In order to be recognized by the IRS as an S-Corporation, IRS Form 2553 (Election by a Small Business Corporation) should be filed within 2 months after receiving the charter. If time passes beyond this, you will not be able to file the company tax return as an S-Corporation until the following year. The form and additional information may be found online, on the IRS website at: <http://www.irs.gov/pub/irs-pdf/f2553.pdf>.

File Federal Tax Return

Corporations must file a tax return yearly, whether or not they have made a profit. Commercially available tax software easily slays this dragon. In States other than Washington, state tax returns

File State paperwork

Master Business License

Once you have obtained the FEIN, you can now apply for the Master Business License which will be required if you have employees. The Master Business License also gives you the ability to use a trade name other than the legal name of the company. This is often done by companies wishing to drop the “Inc.” or “Corp.” suffix. You can apply for one on the Washington State website and read further information at:

<<http://www.dol.wa.gov/businesses.htm>>.

may also be necessary. Details may be found at:

<<http://www.irs.gov/businesses/corporations/index.html>>.



Government Procurement Requirements

D-U-N-S®

D&B is a private company which offers several services, such as sales and marketing, and collections. The main service they offer is the establishment of company credit files. The D-U-N-S® number they issue is the *defacto* business identification number used by the government to identify contractors and suppliers. If your company plans on applying for credit accounts with wholesalers, their pay service *CreditBuilder*, might be of interest. If not, they must issue the D-U-N-S® number free of charge. The application and additional information is available on their website: <<http://www.dnb.com>>.

SDB

The Small Disadvantaged Business certificate is not a requirement if one solely plans on bidding on service-disabled set-aside solicitations. However, there might be an insufficient number of solicitations in your company's particular field, and the SDB certificate will allow you to bid on a greater number of small business set-aside solicitations. Obtaining the certificate is not easy because the application process within the Small Business Administration is very slow. It is best to apply as soon as possible after getting the D-U-N-S® number. Further information and application may be found on: <<http://www.sba.gov/sdb/>>.

CCR

The U.S. Federal Government's primary vendor database is the Central Contractor Registration. In support of agency acquisition, CCR collects, validates, stores, and disseminates data. Current and potential government vendors are required to register in CCR in order to be awarded contracts by the government. Additional information and their website can be found at <<http://www.ccr.gov>>.

Service-Disabled certification

There is no formal certification process to prove your service-disabled status, other than having proper documentation from the VA proving your service disability if you are ever challenged. However, to avoid the challenge in the first place, it is best to include a copy of your service disability rating along with every proposal you submit. Further information on optional

certifications from the Association for Service Disabled Veterans can be found on their website at: < <http://asdv.org/BUSRES/SDVCert/index.cfm>>.



Startup Costs

Incorporation:	\$168.00
IRS S-Election filing:	Free
IRS FEIN application:	Free
Master Business License:	\$15.00 + \$5.00 for each additional trade name
Federal Tax Return:	\$99.95 http://www.turbotax.intuit.com
D-U-N-S® number:	Free
SDB Certificate:	Free
CCR Registration:	Free
Service-Disabled Certification:	Free
Total Minimum Startup Costs	\$282.95

Searching for Government Solicitations

The Federal Government has created several websites in order to centralize Government solicitations. While numerous other sites exist, these two sites are the best place to start: <http://www.fedbizopps.gov> and <http://www.sbirworld.com>.

Proposal Writing

All solicitations will require written proposals of some type, whether for procurements or grants. It is highly recommended that a veteran take a technical writing course or find someone to write proposals for you. There are non-profit organizations, which for a nominal fee will assist you with understanding solicitations, such as Washington State PTAC (Procurement Technical Assistance Centers). However, they are lacking in the area of proposal writing, and might be of little use since they duplicate most of the information presented here, for a nominal fee.

Conclusion

T.C.V.E.C is networked with key individuals with the Pasco American Legion, the local chapter of Vietnam Veterans of America, and Local Veteran Employment Representatives at WorkSource Columbia Basin. T.C.V.E.C. is committed to help service-disabled veterans in the Tri-Cities empower themselves through entrepreneurial efforts.

Thank you and Godspeed,

Ramon Garcia Jr.
Chairman
Tri-Cities Veteran Entrepreneurs Coalition



**For up-to-date news and information, please visit us on the web at
<http://www.tcvec.org>**