

Minority Business Enterprise Certification Program Rules and Regulations (Act 1456 of 2003 as amended)

I. Introduction

Act 1456 of 2003 states, "The Division of Minority Business Enterprise of the Arkansas Economic Development Commission shall promulgate rules to create a certification process for minority business enterprises."

II. Definitions

- 1 "Minority Business Enterprise (MBE)" is an independent business entity, which is at least 51% owned by one or more minority persons.
- 2 "Minority" means a lawful permanent resident of the State of Arkansas who is an African American, Hispanic American, American Indian, Asian American, or Pacific Islander American, or a Service-disabled veteran as designated by the United States Department of Veteran Affairs.
- 3 "Minority Business Advisory Council" means the Advisory Council to the Division of Minority Enterprise created under Arkansas Code 15-4-303.
- 4 "Director" is the Administrator of the Division of Minority Business Enterprise of the Arkansas Economic Development Commission.
- 5 "Commission" means the Arkansas Economic Development Commission.

III. Eligible Applicants

Eligible applicants are registered Arkansas Businesses which can submit documentation (see Appendix) to the Arkansas Economic Development Commission's Division of Minority Business Enterprise to prove they are at least 51% owned by a minority or group of minorities, legally entitled to conduct business in the United States, and can demonstrate the capacity to conduct business with the State of Arkansas.

The firm must be owned by a lawful permanent resident or residents of the state of Arkansas and its annual revenue must not exceed \$10,000,000.

Eligible minority firms, as defined herein, that are actively certified with the Arkansas-Mississippi Minority Supplier Development Council (AMMSDC), the Small Business Administration (SBA) 8(a) program, or the Arkansas Highway and Transportation Department (AHTD) Disadvantaged Business Enterprise (DBE) program are also eligible to apply for MBE certification from the State of Arkansas.

IV. Certification Benefits

Certified MBEs will enjoy several benefits, such as:

- Receive notification of opportunities to do business with state agencies
- Receive notification of training events, workshops, networking events, and educational opportunities
- Designation as a certified MBE (CMBE) in the Entrepreneur and Minority Business Division's online directory
- Receive an official CMBE certificate
- Simplified re-certification process

The State Procurement Director, state agency procurement agents, college and university procurement officials, constitutional offices and minority business officers will be notified of firms which have attained minority certifications.

V. Application Process

Interested applicants shall complete the required forms and send them to the Commission's Division of Minority Business Enterprise with copies of the required documents as listed in the Appendix.

The Commission shall review the documents, check the applicant's customer references, and may schedule a pre-certification interview/site visit with the applicant.

Vendor agreements, invoices, partnership agreements and articles of incorporation that relate to business with the State of Arkansas are subject to examination.

Eligible minority firms, as defined herein, that are actively certified with one of the following organizations may qualify for a streamlined application process by submitting the completed MBE application and proof of certification from the qualifying organization:

- Arkansas-Mississippi Minority Supplier Development Council (AMMSDC)
- Small Business Administration (SBA) 8(a) program
- Arkansas Highway and Transportation Department (AHTD) Disadvantaged Business Enterprise (DBE) program

VI. MBE Operations

Certified Minority Business Enterprises are subject to periodic reviews by the Commission. It is mandatory to report any change in the status of the business affecting the ability to meet product demand, and/or any change in ownership,

with a notarized Notice of Change Affidavit.

All business transactions, including billing and the remittance of such, must be conducted under the name appearing on the MBE certificate.

VII. Annual Re-Certification

Certified MBEs shall send a Re-Certification Affidavit to the Division of Minority Business Enterprise thirty days prior to their current expiration date stating their desire to maintain certification.

The Affidavit shall state that the firm continues to be 51% minority owned, and must be signed by the firm's owner, executive officer and the chairman of its board of directors, if applicable.

The commission maintains the right to re-evaluate the applicant prior to renewal.

VIII. Revocation

The Director of the Division of Minority Business Enterprise has the authority to suspend, and/or, under just cause, revoke the certification of any business which fails to comply with the intent of this program.

Any business with a revoked certification will be ineligible to re-apply to the program for a period of one year.

Prior to revocation of an MBE certification under this regulation, the MBE shall be afforded an opportunity to discuss with the Director the issues which have given rise to the revocation.

IX. Moratorium

Given evidence of non-compliance with these regulations, the Director of the Division of Minority Business Enterprise has the authority to place a moratorium for one year on the new certification of any business sector for which two or more firms have received sanctions within any six month period.

X. Appeals

- 1 Any applicant who is denied their request for certification because they were unable to prove their minority status may appeal the decision to the Minority Business Advisory Council. A written notice of appeal must be received by the Commission no more than 30 days after the date of the notice of denial. The Minority Business Advisory Council shall meet to hear the appeal within 45 days of receipt of the written notice.

Certified businesses may appeal a revocation action to the Minority Business Advisory Council. A written notice of appeal must be received by the Commission within 30 days after the date on the notice of the revocation. The Minority Business Advisory Council shall meet to hear the appeal within 45 days of receipt of the written notice.