Supplier Diversity Office (SDO) Certification Frequently Asked Questions (FAQS)

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Section One: General Questions

What is SDO certification?

SDO certification is a business certification program designed to help diverse businesses compete for contracting opportunities in both the public and private sectors. It serves as a marketing tool that may increase a firm's visibility to buyers and procurement professionals.

While certification can enhance business opportunities, it does not guarantee contract awards or participation in any specific procurement program.

The Supplier Diversity Office (SDO) currently certifies businesses in the following categories:

- Minority Business Enterprise (MBE)
- Women Business Enterprise (WBE)
- Portuguese Business Enterprise (PBE)
- Veteran Business Enterprise (VBE)

The SDO also recognizes certifications issued by approved third-party organizations for additional business categories, including:

- Service-Disabled Veteran-Owned Business Enterprise (SDVOBE)
- Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)
- Disability-Owned Business Enterprise (DOBE)

All businesses must meet applicable ownership, control, independence, and operational requirements to qualify for certification.

How does the SDO certification process work?

The certification process begins when an eligible owner or designated employee completes the required SDO educational webcast.

After successfully completing the webcast, the firm will receive a registration code that allows access to the online certification application.

Applicants must:

1. Create an SDO Portal Account.
2. Complete the online application.
3. Upload all required supporting documents.

Firms have one year from the date they receive their registration code to complete the application process.

Applications are reviewed in the order they are received. Expedited reviews are not available.

If additional information is required, the SDO will notify the applicant through the SDO Portal Account. Applicants have 30 calendar days to respond. Failure to respond may result in inactivation of the application.

Once all required information has been received, the SDO will review the application to determine whether the business meets certification requirements. The SDO may request a telephone or virtual interview if clarification is needed.

A written decision will be issued through the firm's SDO Portal Account.

Does SDO certification guarantee a contract award?

No.

SDO certification does not guarantee a contract award, subcontracting opportunity, or participation in any specific procurement program. Certification is intended to help businesses market themselves and demonstrate eligibility for supplier diversity initiatives.

Is there a fee to apply for SDO certification?

No.

SDO certification is provided at no cost to applicants.

How do I know which certification program I may qualify for?

The SDO provides a free self-assessment tool to help applicants determine eligibility for certification categories.

Completing the self-assessment before applying can help applicants better understand program requirements and identify the most appropriate certification category.

Who can I contact if I have questions about certification requirements or required documents?

If you have questions about certification requirements, policies, application procedures, or supporting documentation, please contact: webmaster@sdo.mass.gov

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How does the SDO protect my personal and business information?

All SDO employees are required to comply with strict confidentiality and privacy requirements.

- Applicants should be aware that information submitted to the SDO may become part of the public record pursuant to G.L. c. 66, §10 and may be subject to disclosure under Massachusetts public records laws. If records must be produced pursuant to a public records request, SDO will not disclose personally identifiable information, including:
  - Banking information
  - Birth certificates
  - Passports
  - Certificates of naturalization
  - Tax forms

If you have further questions about how to safeguard your or your company's information, we encourage you to consult with your legal advisor.

How do I know if my business is ready to apply for certification?

Before applying, businesses should carefully review the SDO certification requirements and ensure they can provide all required documentation based on their business structure.

Applicants should be prepared to demonstrate:

- Active business operations
- Eligible ownership of at least 51%
- Eligible control of daily operations and management
- Financial risk and ownership consistent with certification requirements
- Relevant experience and qualifications of owners and key employees
- Required professional licenses and permits, if applicable
- Independence from non-eligible businesses
- Ongoing business activity

Out-of-state businesses should also be prepared to provide home-state certification documentation or proof of approved third-party certification, when applicable.

Does the SDO certify startup businesses?

Yes.

Startup businesses may be eligible for certification if they satisfy all regulatory requirements and can demonstrate that they are actively operating and prepared to provide goods or services to customers.

Examples of acceptable documentation may include:

- Marketing materials
- Proposals or bids
- Contracts or letters of intent
- Business development activities
- Evidence that the business is actively promoting its services

A business idea or business plan alone is not sufficient for certification.

Where can I get assistance with my application?

Questions regarding the certification process may be directed to the SDO Webmaster at:

webmaster.sdo@mass.gov

Businesses may also obtain free counseling and technical assistance through organizations such as:

- SCORE through the U.S. Small Business Administration (SBA)
- Massachusetts APEX Accelerator (formerly PTAC)

What should I include in my business description?

Your business description appears in the SDO directory and helps potential customers, buyers, and procurement professionals find your business.

An effective business description should:

- Clearly describe your products or services
- Include relevant industry keywords
- Be concise and easy to understand
- Contain approximately 15–20 searchable terms

Avoid lengthy mission statements or generic descriptions.

Businesses may update their descriptions at any time by contacting the SDO Webmaster at webmaster.sdo@mass.gov.

How does the SDO communicate with applicants and certified businesses?

The SDO Portal Account serves as the primary method of communication between the SDO and applicants or certified firms.

Applicants and certified businesses should regularly monitor their Portal Account and keep all contact information current, including:

- Contact name
- Business address
- Email address
- Telephone number
- Website address

All requests for additional information, certification updates, renewal notices, and other important communications are generally sent through the SDO Portal Account.

Applicants **should not mail** applications or documentation to the SDO unless specifically instructed to do so.

Account-related issues such as problems with password or login should be reported to: webmaster.sdo@mass.gov.

Section Two: Eligibility and Certification Requirements

Where can I find the SDO certification requirements?

The Supplier Diversity Office (SDO) certification requirements are established under 425 CMR 2.00, et seq.

Applicants should review these regulations carefully before applying, as they outline the eligibility standards and documentation requirements for certification.

Who is considered an eligible principal?

Eligible principal(s) are the individual(s) who own at least 51% of a firm and whose membership in the certification category under which the firm is applying qualifies the firm for SDO certification.

Eligible principals must:

- Be adults who are U.S. citizens or lawfully present in the United States.
- Belong to the **same SDO certification category** under which the firm is applying (e.g., minority, woman, veteran, service-disabled veteran, LGBTQ+, or person with a disability).
- Provide a **legible copy** of a U.S. passport, birth certificate, certificate of naturalization, REAL ID, or other proof of lawful U.S. presence as determined by SDO.
- Provide a DD-214 Form (Veteran Business Enterprise (VBE) applicants)

For non-profit organizations, eligible principles must provide a notarized statement identifying the gender, ethnicity, and lawful status of each member of the board of directors and the executive director, along with their term limits.

Can Employee Stock Ownership Plan (ESOP) participants qualify as eligible principals?

Yes. Employee Stock Ownership Plan (ESOP) participants may be considered eligible principals for certification purposes.

Businesses relying on ESOP ownership to establish certification eligibility must provide:

- A copy of the ESOP plan.

- Documentation establishing the certification eligibility of the ESOP participants whose ownership interests are being used to satisfy program requirements, including documentation verifying the gender, ethnicity, veteran status, disability status, or other qualifying characteristic, as applicable.

The SDO will review the submitted documentation and ownership structure to determine whether the ESOP participants may be counted toward the program's eligibility requirements. Additional information may be requested during the review process.

What ownership documents are required for certification?

The ownership documents required depend on your business structure.

Sole Proprietorships

- Business certificate from the city or town where the business is located, or
- A notarized SDO application

Partnerships

- Partnership Agreement
- Federal Tax Form 1065
- Any supporting Schedule K-1 ownership schedules

Limited Liability Companies (LLCs) and Limited Liability Partnerships (LLPs)

- Certificate of Formation
- Operating Agreement and any supporting ownership schedules
- Annual Report, if applicable
- Federal business tax returns and supporting ownership schedules or extensions (e.g., Form 1040, Form 1065, Form 1120, or Form 1120-S)

Corporations

- Articles of Organization
- Front and back copies of all current and canceled stock certificates
- Stock transfer ledger
- Bylaws
- Annual Report, if applicable
- Federal business tax returns (Form 1120 or Form 1120-S) and any supporting ownership schedules or extensions
- Meeting minutes documenting changes in ownership or control

Nonprofit Organizations

- Articles of Organization
- Massachusetts Form PC
- Bylaws

- IRS determination letter recognizing tax-exempt status under Section 501(c)(3) or 501(c)(4)
- Federal Tax Form 990

Out-of-State Businesses
Out-of-state firms must provide all documents required for their business structure, plus:

- A certification letter or certificate from their home state
- Home-state site visit report or proof of approved third-party certification

Additional documentation may be requested if needed to verify ownership, control, or eligibility.

How does the SDO determine whether eligible principals control the business?

The SDO reviews business records and organizational documents to verify that eligible principals exercise both strategic and day-to-day control of the company. Eligible principals must have the authority to make significant business decisions, manage operations, and direct the firm's activities.

To evaluate control, the SDO may review documentation such as:

- Resumes of owners and key employees that demonstrate relevant industry experience.
- Professional licenses and certifications required to perform the firm's work.
- Bank signature cards or letters showing financial authority over business accounts.
- Annual reports that identify officers, directors, or other company leaders.
- Operating agreements identifying managing members of LLCs or LLPs.
- Partnership agreements identifying managing or general partners.
- Other organizational documents, corporate filings, and financial authorization records.

The specific documentation required will depend on the firm's organizational structure and business activities. Additional information may be requested as needed to verify control.

What documentation demonstrates control of a non-profit organization?

Non-profit organizations must provide documentation demonstrating that the board of directors and executive leadership exercise control over the organization's operations and finances.

Required documents include:

- Resumes or professional biographies for all members of the board of directors and the executive director.
- Copies of all required Massachusetts professional licenses or permits held by board members, the executive director, NPO staff required to provide the organization's services, and any key employees.
- Proof of financial control, such as a bank signature card or a letter from the financial institution confirming that board members and/or the executive director have signatory authority over the organization's bank account.

How do I demonstrate that an eligible principal holds the firm's highest office and has dominant control of the governing body?

To meet this requirement, eligible principals must hold the highest leadership position in the firm and demonstrate authority over its governing body. This can be shown through organizational and ownership documents, depending on the business structure:

Corporations:

An eligible principal must serve as the firm's Chief Executive Officer (CEO) or President and as a Director. This is typically verified through the firm's most recent annual report and corporate filings.

LLCs/LLPs:

An eligible principal must serve as the Managing Member. This can be confirmed through the operating agreement and/or the firm's most recent annual report.

Partnerships:

An eligible principal must serve as the Managing Partner. This is confirmed through the partnership agreement and related business records.

Sole Proprietorships:

This requirement does not apply, as sole proprietorships do not have a governing

body. Business certificates and federal tax records should demonstrate that the eligible principal owns 100% of the firm.

All business types:

Eligible principals must have the authority over the governing body, including the ability to remove, replace, or direct board members, managers, partners, or key employees based on their 51% ownership interest.

Can an eligible principal delegate operational responsibilities?

Yes.

Eligible principal(s) may delegate certain daily responsibilities to employees or other owners. However, the eligible principal must retain ultimate authority over business operations.

The SDO must be able to determine that the eligible principal maintains control over key business functions, including:

- Hiring and firing employees
- Contract negotiations
- Bid preparation and approval
- Strategic planning
- Marketing and sales
- Operational oversight

Any delegation of authority must be revocable, and documentation must demonstrate that the eligible principal retains final decision-making authority.

Does the SDO certify franchise businesses?

Yes. Franchise businesses are reviewed on a case-by-case basis.

Applicants must provide a copy of the executed franchise agreement. Standard franchise requirements related to branding, marketing, and client confidentiality are generally acceptable, provided they do not substantially restrict the eligible principal's ability to exercise operational control of the business.

The SDO will evaluate whether the franchise arrangement allows eligible principals to maintain sufficient ownership, control, and operational independence to meet certification requirements.

Franchise agreements must not substantially limit the eligible principal's authority over key business functions, including:

- Hiring and firing employees
- Overseeing field operations
- Preparing bids and estimates
- Negotiating and executing contracts
- Setting strategic direction, operational culture, marketing, and sales

The SDO will determine whether a franchise business meets certification requirements based on the specific terms of the franchise agreement and the firm's overall operating structure.

Can an eligible principal have outside employment or business interests?

Yes, provided that outside employment or business interests do not substantially interfere with the eligible principal’s ability to actively manage and control the applicant business.

Eligible principals must maintain active, daily involvement in managing the applicant firm. Outside employment, consulting activities, or ownership interests in other businesses cannot substantially limit the eligible principal’s ability to meet SDO ownership and control requirements.

The SDO does not certify businesses with absentee eligible owners. The SDO may request additional documentation, conduct an interview, or perform a site visit when necessary to verify compliance with certification requirements.

What professional licenses are required?

Businesses must provide **current, legible copies** of all licenses, registrations, permits, and certifications required to legally perform their services in Massachusetts as part of the SDO certification process.

Applicants are responsible for determining which licenses apply to their business and ensuring compliance with all applicable state and local licensing requirements. Applicants should consult relevant licensing authorities or a qualified business or legal advisor if needed.

License requirements vary by industry. The examples below are provided for convenience and are not exhaustive.

Examples may include:

- Construction Supervisor Licenses (CSL)
- Home Improvement Contractor Registration (HIC)
- Professional occupational or trade licenses
- Transportation permits or livery-related authorizations
- Local construction or building permits issued by the city or town where work is performed

How does the SDO determine whether a business is ongoing?

The SDO must determine that a business is actively operating and was not created solely to obtain certification.

Examples of supporting documentation include:

- Contracts
- Purchase orders
- Bids and proposals
- Marketing materials
- Equipment ownership records
- Equipment leases
- Commercial leases
- Property tax records
- Other evidence of ongoing business activity

The SDO may request additional documentation to confirm that the business is actively operating on an ongoing basis.

What is the difference between a supplier and a broker?

Suppliers and brokers are listed separately in the directory of certified businesses. The SDO will use the following description when determining whether a business can identify itself

as a supplier in its business description.

A **supplier** is a business that maintains inventory stored in a warehouse for sale to the public on a regular basis and bears the risk of loss of goods prior to delivery (for example, if products are damaged, destroyed, or stolen before reaching the customer).

A **broker**, by contrast, does not maintain inventory and instead facilitates the transfer of goods from a manufacturer or supplier to the end customer without taking possession of, or the assuming the risk of loss for, the products.

A supplier typically:

- Maintains inventory
- Stores products before sale
- Assumes risk of loss prior to delivery

A broker typically:

- Arranges transactions between buyers and suppliers
- Does not maintain inventory
- Does not assume risk of loss for products

To verify a firm's role in the supply chain, the SDO may request documentation such as contracts, invoices, inventory records, warehouse leases, or information identifying product sourcing and fulfillment arrangements.

What business relationships may affect a firm's independence?

The SDO evaluates whether a business operates independently from non-eligible individuals or firms.

Examples of relationships that may raise concerns include:

- Shared ownership with a non-eligible business in the same or similar line of work
- Significant operational dependence on another company
- Reliance on another business for personnel, equipment, facilities, or financing
- Performing little or none of the contracted work itself
- Obtaining all contracts through a non-eligible business

Each situation is reviewed individually based on the totality of the firm's relationships and operations.

Are there additional requirements for out-of-state businesses?

Yes.

Out-of-state businesses must submit:

- A complete SDO application
- Required organizational documents based on the firm's structure
- Copies of Massachusetts licenses, registrations, permits, or certifications, when applicable
- Home-state certification documentation
- Home-state review or site visit reports, if available
- Proof of approved third-party certification, if applicable

Registration as a foreign entity in Massachusetts is not required solely for certification purposes.

Does the SDO recognize third-party certifications?

Yes.

The SDO offers a streamlined certification process for businesses that hold approved third-party certifications.

To apply, businesses must:

1. Create an SDO Portal Account.
2. Complete the Third-Party Certification Application.
3. Submit all required supporting documentation.

Approved third-party certifications may satisfy certain portions of the SDO review process, but applicants must still meet all applicable SDO requirements.

A list of SDO-approved third-party certifying organizations can be found on the SDO website under the **Certification Program** section, within **How to Apply for Third-Party Certification**.

Section Three: Certification Maintenance, Appeals, and Renewal

My firm was denied SDO certification. What are my options?

A business that receives a certification denial may appeal the decision.

Appeal requests must be submitted within **10 business days** of the denial decision.

Appeals should be sent to:

SDO-DL-Legal@MassMail.State.MA.US

If an appeal is not submitted within the required timeframe, the denial decision becomes final.

Businesses whose applications are denied may reapply for certification **one year from the date of the denial letter**.

My business was just certified. What should I do next?

Congratulations on your certification!

SDO certification is valid for **three years**.

Certified businesses should:

- Review their certification letter in the SDO Portal Account.
- Keep contact information current.
- Monitor communications from the SDO.
- Participate in training, networking, and business development opportunities.
- Report any significant changes in ownership, control, or business structure promptly through the SDO Portal Account.

Certification is an ongoing responsibility, and businesses must continue to meet all eligibility requirements throughout the certification period.

How long does SDO certification remain valid?

SDO certification remains valid for **three years**, provided the business continues to satisfy

all program requirements.

The SDO may request updated documentation during the certification period to confirm ongoing eligibility.

What changes must be reported to the SDO?

Certified businesses must promptly report material changes that could affect certification eligibility, including:

- Ownership changes
- Changes in officers, directors, members, or partners
- Changes in management or operational control
- Changes in business structure
- Changes in business contact information
- Changes in business location

Updates should be submitted through the SDO Portal Account under "**Critical Material Changes.**"

Can the SDO review my business after certification?

Yes.

The SDO reserves the right to review certified businesses at any time to ensure continued compliance with certification requirements.

During a post-certification review, the SDO may request updated documentation, including:

- Ownership records
- Organizational documents
- Tax records
- Licenses and permits
- Financial information
- Other supporting documentation

Certified businesses are required to cooperate fully with all review requests and provide requested information in a timely manner. Failure to do so may result in administrative action, including suspension or decertification.

What happens if my business no longer meets certification

requirements?

If a certified business experiences changes that affect its ownership, control, independence, or ongoing operations, it must notify the SDO promptly through the SDO Portal Account.

The SDO will review the circumstances to determine whether the business continues to meet certification requirements.

Failure to disclose material changes may result in administrative action, including suspension or decertification.

How can I withdraw my certification?

A firm's certification may be voluntarily withdrawn at any time.

Requests for withdrawal may be submitted by an eligible principal or authorized representative by email at webmaster.sdo@mass.gov

The request should clearly identify the business and state that the firm is requesting withdrawal from the SDO certification program.

What is the certification renewal process?

SDO certification must be renewed every three years.

Approximately 45 days before the certification expiration date, the SDO will send renewal instructions to the firm’s designated business contact through the SDO Portal Account.

To avoid interruptions in certification status, businesses should:

- Review renewal requirements promptly.
- Submit all requested documentation by the stated deadline.
- Maintain accurate and up-to-date contact information in the SDO Portal Account.

Questions regarding renewal requirements or requests for additional response time may be directed to:webmaster.sdo@mass.gov

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What happens if I fail to complete the renewal process?

Failure to submit renewal materials or respond to SDO requests may result in a lapse or

expiration of certification.

Businesses whose certification expires may be required to complete additional steps or submit a new application to regain certified status.

Applicants are encouraged to begin the renewal process as soon as they receive notice from the SDO.

What if my SDO certification has lapsed or been decertified?

If your SDO certification has lapsed or been decertified, you may request that your application be reopened by either of the following methods:

1. Sign in to your SDO portal account and navigate to the **Document Center**. Upload the required updated documentation and select **"Reopen Application"** from the **Reason for Document** drop-down list.
2. Send an email to webmaster.sdo@mass.gov requesting that your application be reopened or contact the SDO Office directly for assistance.

Once your request and supporting documentation are received, the SDO Office will review your application and provide further guidance.