Department of Veterans Affairs

§ 74.1

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AUTHORITY: 38 U.S.C. 501, 513, and as noted in specific sections.

GENERAL GUIDELINES

§ 74.1 What definitions are important for VetBiz Vendor Information Pages (VIP) Verification Program?

For the purposes of part 74, the following definitions apply.

Center for Veterans Enterprise (CVE) is an office within the U.S. Department of Veterans Affairs (VA) and is a subdivision of VA’s Office of Small and Disadvantaged Business Utilization. The CVE helps veterans interested in forming or expanding their own small businesses. It also helps VA contracting offices identify veteran-owned small businesses and works with the Small Business Administration’s Veterans Business Development Officers and Small Business Development Centers nationwide regarding veterans’ business financing, management, and technical assistance needs.

Days are calendar days. In computing any period of time described in part 74, the day from which the period begins to run is not counted, and when the last day of the period is a Saturday, Sunday, or Federal holiday, the period extends to the next day that is not a Saturday, Sunday, or Federal holiday. Similarly, in circumstances where CVE is closed for all or part of the last day, the period extends to the next day on which the agency is open.

Day-to-day management means supervising the executive team, formulating sound policies and setting strategic direction.

Day-to-day operations mean the marketing, production, sales, and administrative functions of the firm.

Eligible individual means a veteran, service-disabled veteran or surviving spouse, as defined in this section.

Immediate family member means father, mother, husband, wife, son, daughter, brother, sister, grandfather, grandmother, grandson, granddaughter, father-in-law, and mother-in-law.

Joint venture is an association of two or more small business concerns to engage in and carry out a single, specific business venture for joint profit, for which purpose they combine their efforts, property, money, skill, or knowledge, but not on a continuing or permanent basis for conducting business generally. For VA contracts, a joint venture must be in the form of a separate legal entity.

Negative control includes, but is not limited to, instances where a minority shareholder has the ability, under the concern’s chapter, by-laws, or shareholder’s agreement, to prevent a quorum or otherwise block action by the board of directors or shareholders.

Non-veteran means any individual who does not claim veteran status, or upon whose status an applicant or participant does not rely in qualifying for VetBiz Vendor Information Pages (VIP) Verification Program participation.

Office of Small and Disadvantaged Business Utilization is the office within the Department of Veterans Affairs that establishes and monitors small business program goals at the prime and subcontract levels and which functions as the ombudsman for veterans and service-disabled veterans seeking
procurement opportunities with the Department.

Participant means a veteran-owned small business concern that has verified status in the VetBiz Vendor Information Pages database.


Principal place of business means the business location where the individuals who manage the concern’s day-to-day operations spend most working hours and where top management’s current business records are kept. If the office from which management is directed and where the current business records are kept are in different locations, CVE will determine the principal place of business for program purposes.

Same or similar line of business means business activities within the same three-digit “Major Group” of the NAICS Manual as the primary industry classification of the applicant or participant. The phrase “same business area” is synonymous with this definition.

Service-disabled veteran is a veteran who possesses either a disability rating letter issued by the Department of Veterans Affairs, establishing a service-connected rating between 0 and 100 percent, or a disability determination by the Department of Defense.

Service-disabled veteran-owned small business concern is a business not less than 51 percent of which is owned by one or more service-disabled 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 service-disabled veterans; the management and daily business operations of which are controlled by one or more service-disabled veterans, or in the case of a veteran with a permanent and severe disability, a spouse or permanent caregiver of such veteran. In addition, some businesses may be owned and operated by an eligible surviving spouse. Survivors or members of the National Guard disabled from a disease or injury incurred or aggravated in line of duty or while in training status also qualify.

Small business concern is—CVE applies the small business concern definition established by 48 CFR 2.101.

Surviving spouse is any individual identified as such by VA’s Veterans Benefits Administration and listed in its database of veterans and family members. To be eligible for VetBiz VIP Verification, the following conditions must apply:

(1) If the death of the veteran causes the small business concern to be less than 51 percent owned by one or more veterans, the surviving spouse of such veteran who acquires ownership rights in such small business shall, for the period described in paragraph (2) of this definition, be treated as if the surviving spouse were that veteran for the purpose of maintaining the status of the small business concern as a service-disabled veteran-owned small business.

(2) The period referred to in paragraph (1) of this definition is the period beginning on the date on which the veteran dies and ending on the earliest of the following dates:

(i) The date on which the surviving spouse remarries;
(ii) The date on which the surviving spouse relinquishes an ownership interest in the small business concern;
(iii) The date that is 10 years after the date of the veteran’s death; or
(iv) The date on which the business concern is no longer small under Federal small business size standards.

(3) The veteran must have had a 100 percent service-connected disability or died as a direct result of a service-connected disability.

Note to Definition of Surviving Spouse: For program eligibility purposes, the surviving spouse has the same rights and entitlements of the service-disabled veteran who transferred ownership upon his or her death.

Unconditional ownership means ownership that is not subject to conditions precedent, conditions subsequent, executory agreements, voting trusts, restrictions on or assignments of voting rights, or other arrangements causing or potentially causing ownership benefits to go to another (other than after death or incapacity). The pledge or encumbrance of stock or other ownership

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interest as collateral, including seller-financed transactions, does not affect
the unconditional nature of ownership
if the terms follow normal commercial
practices and the owner retains control
absent violations of the terms.

VA is the U.S. Department of Vet-
erans Affairs.

Vendor Information Pages (VIP) is a
database of businesses eligible to par-
ticipate in VA’s Veteran-owned Small
Business Program. The online database
may be accessed at no charge via the

Verification eligibility period is a 12-
month period that begins on the date
the Center for Veterans Enterprise
issues the approval letter establishing
verified status. The participant must
submit a new application each year to
continue eligibility.

VetBiz.gov (VetBiz) is a Web portal VA
hosts the Vendor Information Pages
database.

Veteran is a person who served on ac-
tive duty with the U.S. Army, Air
Force, Navy, Marine Corps or Coast
Guard, for any length of time and at
any place and who was discharged or
released under conditions other than
dishonorable. Reservists or members
of the National Guard called to Federal
active duty or disabled from a disease
or injury incurred or aggravated in line
of duty or while in training status also
qualify as a veteran.

Veteran-owned small business concern
(VOSB) is a small business concern
that is not less than 51 percent 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 vet-
erans; the management and daily busi-
ness operations of which are controlled
by one or more veterans and qualifies
as “small” for Federal business size
standard purposes. All service-disabled
veteran-owned small business concerns
(SDVOSBs) are also, by definition, vet-
eran-owned small business concerns.
When used in these guidelines, the
term “VOSB” includes SDVOSBs.

Veterans Affairs Acquisition Regulation
(VAAR) is the set of rules that specifi-
cally govern requirements exclusive to
the U.S. Department of Veterans Af-
fairs (VA) prime and subcontracting
actions. The VAAR is chapter 8 of title
48, Code of Federal Regulations, and
supplements the Federal Acquisition
Regulation (FAR), which contains
guidance applicable to most Federal
agencies.

[75 FR 6101, Feb. 8, 2010, as amended at 76 FR
3022, Jan. 19, 2011]

§ 74.2 What are the eligibility require-
ments a concern must meet for
VetBiz VIP Verification Program?

(a) Ownership and control. A small
business concern must be uncondition-
ally owned and controlled by one or
more eligible veterans, service-disabled
veterans or surviving spouses, have
completed the online Vendor Informa-
tion Pages database forms at http://
www.VetBiz.gov, and has been examined
by VA’s Center for Veterans Enter-
prise. Such businesses appear in the
VIP database as “verified.”

(b) Good character. Veterans, service-
disabled veterans and surviving spouses
with ownership interests in VetBiz
verified businesses must have good
character. Debarred or suspended con-
cerns or concerns owned or controlled
by debarred or suspended persons are
ineligible for VetBiz VIP Verification.

(c) False statements. If, during the
processing of an application, CVE de-
termines that an applicant has know-
ingly submitted false information, re-
gardless of whether correct informa-
tion would cause CVE to deny the ap-
plication, and regardless of whether
correct information was given to CVE
in accompanying documents, CVE will
deny the application. If, after verifying
the Participant’s eligibility, CVE dis-
covers that false information has been
knowingly submitted by a firm, CVE
will remove the “verified” status from
the VIP database and notify the busi-
ness by phone and mail. Whenever CVE
determines that the applicant sub-
mitted false information, the matter
will be referred to the Office of Inspec-
tor General for review. In addition, the
CVE will request that debarment pro-
ceedings be initiated by the Depart-
ment.

(d) Federal financial obligations. Nei-
ther a firm nor any of its eligible indi-
viduals that fail to pay significant fi-
nancial obligations owed to the Federal
Government, including unresolved tax