



Houston Minority Supplier Development Council

3 Riverway | Suite 555 Houston, TX 77056

Tel: (713) 271-7805

Dear Entrepreneur:

Congratulations and welcome to the Houston Minority Supplier Development Council (HMSDC)! You have just taken the first step in growing and developing your business. HMSDC offers a variety of programs, services and activities all geared to increase your networking channels with major corporations and facilitate business introductions and opportunities.

This packet contains:

- Certification Criteria
- Certification Process
- Certification Checklist

The processing of your certification application can take anywhere from 2 – 4 weeks depending on when HMSDC receives your information. The Certification Compliance Committee meets the 2nd Thursday of every month. **HMSDC strongly suggests that you submit a completed application before the last day of the month.**

HMSDC’s certification application is online at www.hmsdc.org. The online application-processing fee is based on your company’s annual gross revenue.

Category	Online Amount
Class 1: <\$1M	\$250
Class 2: \$1M - \$9.99M	\$400
Class 3: \$10M – \$49.99	\$650
Class 4: \$50M - above	\$800
Expedited (additional)	\$350

HMSDC offers an informative orientation class every month.

Pre-Certification Workshop:

1st Thursday of every month 11:00 am – 12:00 pm/Noon

HMSDC Office

Three Riverway| Suite 555 Houston, TX 77056

www.hmsdc.org

Once you become certified by the HMSDC, you will join more than 150 corporations and over 600 MBEs all with the common mission to increase and expand business opportunities and business growth for MBEs.

Good luck on all your future business endeavors. We look forward to working with you!

Constance Y. Jones

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Vice President of Operations



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Certification Criteria

1. A Minority Business Enterprise (MBE) must be a currently functioning business enterprise which:
 - is an independent business that is at least 51% independently owned, managed and controlled by one or more ethnic minorities
 - demonstrates the capability to perform a line of business
 - provides a commercially useful business function according to customs and practices of the industry

2. The controlling interest in a firm represented to be minority shall be by one or more **CITIZENS OF THE UNITED STATES OF AMERICA** who are:
 - **Black**, having origins in any black racial groups of Africa (not of Hispanic origin)
 - **Hispanic**, having origins from Mexico, Puerto Rico, Cuba, Central and South America, or Hispanic cultures or descents
 - **Asian/Pacific Islanders**, having origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, U.S. Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, Taiwan, India, Pakistan and Bangladesh
 - **Native American**, having origins in any of the American/Alaskan Indians, Eskimos, Aleuts, and Native Hawaiians. All American/Alaskan Indians must be documented members of a federally recognized tribal entity.

3. The minority ownership and control shall be real, continuing, and not created solely to take advantage of special programs aimed at minority business development.

4. The minority owner(s) shall enjoy the customary incidents of ownership and shall share in the risks and profits and shall have contributed capital, equipment and/or expertise to the business commensurate with his/her percentage of ownership.

5. The contributions of capital or expertise by the minority owner(s) to acquire their interests in the firms shall be real and sustainable.

6. To be considered operational, applicant must be able to produce at least one invoice and business receipt.

7. The minority owner(s) shall possess the power to direct or cause the direction of the management and policies of the firm and shall possess the capability of making day-to-day as well as major decisions on matters of management, policy and operations of the firm. There shall be no restriction on the minority owner's ability to control which would prevent the minority owner from making a business decision without the cooperation or vote of a non-minority person. Such control shall be known or acknowledged in day-to-day operations by employees and business references of the business. Where licenses are required to perform the functional mission of the company, such licenses shall be held in the name and/or independent control of minorities.



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- 8. All securities that constitute ownership of a corporation for purposes of establishing it as a minority business enterprise shall be held directly by the minority owner(s). No securities held in trust or by any guardian for a minority shall be considered held by minority persons in determining ownership and control of the corporation.
- 9. The applicant should submit the application to certification@hmsdc.org. The application processing fee is based on your company’s gross revenue.

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Expedited (additional)*3	\$350

- 10. Applicant must upload copies of the documents requested on the Certification Application Checklist that apply to the type of business enterprise in which Applicant is engaged. Incomplete applications cannot be processed. The Council reserves the right to request further information from the Applicant prior to or during the certification process. All materials submitted shall be retained by the Houston Minority Supplier Development Council. Applicant further agrees to allow HMSDC representatives access to and right to inspect Applicant’s place of business.

We offer expedited certification!

Your application for HMSDC certification can be expedited for an additional \$350. Expedited certification is guaranteed to be completed in 10 business days. The process begins once a completed application and all supporting documents are submitted to HMSDC.

The Houston Minority Supplier Development Council (HMSDC) reserves the right to deny or revoke certification for cause at any time.



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Certification Process

Step 1: Review the certification criteria and checklist to ensure that your business qualifies.

Step 2: Collect the required documentation.

Step 3: Complete the application, sign, notarize the declaration, and submit payment, the application and documentation to the HMSDC office. The payment information is listed below.

Step 4: The applicant will go through a desk audit. The desk audit is a review of the entire application and all supporting documentation. It is also during this stage where we contact your business references.

Step 5: Once the desk audit is complete, the files goes into the site visit stage. The site visit is a personal visit to the applicant’s business to meet with principals and review certain documents to verify ownership, management and control functions. A report of the site visit is prepared and added to the file.

Step 6: Your completed packet will be forwarded to the certification compliance committee in order for them to review and make a recommendation to the Board of Directors for action. The committee can make one (1) of four (4) recommendations:

Approval – Once approved, we invite the applicant to *ENTERchange*, which is the mandatory MBE orientation where the applicant will receive their welcome letter, certificate, and additional information about HMSDC.

Approved Pending – The committee had a question or needed clarity on a document. Once received from the applicant, the MBE is approved.

Tabled – The committee did not have enough information to approve or deny the file. They need clarity on information submitted and they would like to review the file again once the information has been received.

Denial – The applicant did not meet NMSDC’s criteria. The applicant has 30 days to appeal the committee’s recommendation.

Step 7: The Board of Directors review and vote on the committee’s recommendations. All letters are prepared for signature after the vote.

Step 8: All applicants receive a written notification of their status within one week. Firms that are approved is granted certification that is good for 1 year and requires an annual renewal.

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Declaration of Certification of Minority Status

I (We) have completed and submitted the Minority Supplier Registration and Database Input Form as requested by the **HOUSTON MINORITY SUPPLIER DEVELOPMENT COUNCIL** and hereby certify that the information contained herein and all attachments submitted are true and correct and accurate to the best of my (our) knowledge and belief. I (We) understand that this Declaration of Certification and the criteria set forth have been developed according to the guidelines established by the **NATIONAL MINORITY SUPPLIER DEVELOPMENT COUNCIL**. The certification, when granted, will be for a one (1) year period. I (We) further understand that completion and submission of this form, together with all attachments hereto, is not necessarily the sole criteria for determining certification of minority status by the **HOUSTON MINORITY SUPPLIER DEVELOPMENT COUNCIL**.

I (We) acknowledge that if the Council discovers that a statement has been made herein which the applicant knows to be false, the certification process will be terminated immediately. I (We) agree that all materials submitted with this package shall become the property of the Council.

I (We) further agree that once certified, the continued certification and registration by the **HOUSTON MINORITY SUPPLIER DEVELOPMENT COUNCIL** will be according to the guidelines, rules and regulations of the **HOUSTON MINORITY SUPPLIER DEVELOPMENT COUNCIL** and the **NATIONAL MINORITY SUPPLIER DEVELOPMENT COUNCIL** and may be amended for time to time. Termination of my (our) status may be based upon, but not necessarily limited to, any one of the following:

1. Cessation of business operation by the minority business concern.
2. Discovery that any false information was knowingly supplied to the **HOUSTON MINORITY SUPPLIER DEVELOPMENT COUNCIL** in the completion of this form or as contained in any attachments submitted.
3. Failure to provide timely notice or withholding of any notice to the **HOUSTON MINORITY SUPPLIER DEVELOPMENT COUNCIL** of the transfer or loss of ownership and/or management and control of the business concern by its minority group members.
4. Failure or refusal to allow the **HOUSTON MINORITY SUPPLIER DEVELOPMENT COUNCIL** and/or its representative access to the company's place of business upon reasonable notice and demand for the purpose of a site visit.
5. Sale, exchange, or transfer of ownership of the minority business concern, if such transfer results in the loss of control and ownership of the business concern by the minority group members.

I (We) understand and agree that the **HOUSTON MINORITY SUPPLIER DEVELOPMENT COUNCIL** reserves the right to request any further and additional information that it may deem necessary to substantiate the information and representations made by the applicant (applicants) for certification. I (We) declare that the company in whose name this application is being submitted is at least fifty-one percent (51%) owned by one or more minority individuals (as defined herein) and such individuals control, operate and manage the company.

The undersigned hereby agrees (agree) to hold **HOUSTON MINORITY SUPPLIER DEVELOPMENT COUNCIL** free and harmless from any and all claims, demands, and damages whatsoever arising out of the presentation of this application and agrees to indemnify and hold **HOUSTON MINORITY SUPPLIER**



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DEVELOPMENT COUNCIL harmless for any and all liability in connection with the certification of the information contained in this application.

The undersigned hereby declares (declare) under penalty of perjury that all statements made in this application and any attachments hereto and true and correct.

Business name: _____

Signature(s) of all Owners, Proprietor, Partners and Shareholders of the company:

_____ **Date:** _____

_____ **Date:** _____

_____ **Date:** _____

_____ **Date:** _____

_____ **Date:** _____

Please have this form **NOTARIZED**, retain a copy of this form for your files and return the original and the attachments to:

HOUSTON MINORITY SUPPLIER DEVELOPMENT COUNCIL

Attn: Certification Department

Three Riverway | Suite 555 Houston, Texas 77056

Tel: (713) 271-7805

certification@hmsdc.org

www.HMSDC.org

State of _____ County of _____

On _____ before me, (name)

the undersigned Notary Public, personally appeared (name), personally known to me, or proved to me on the basis of satisfactory evidence, to be the person(s) acknowledged to me that he/she/they executed in the same in his/her/their authorized capacity/cap person(s) of the entity upon which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

Commission Expires



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Certification Checklist

DOCUMENTATION ATTACHMENTS – Please include appropriate documentation with the application and please indicate which documents are attached. The documentation required for certification is listed below, but is not limited to:

ALL BUSINESSES ARE REQUIRED TO SUBMIT:

- Completed certification application
- Signed, dated and notarized affidavit/declaration page
- Fictitious Business Statement - DBA (if applicable)
- Driver's License for Owner(s), Partners, Shareholders
- Proof of U.S. Citizenship (US passport, long form original birth certificate, naturalization certificate, or driver's license **and** voter's registration card)
- Proof of Ethnicity for Owner(s), Partners, Shareholders (long form original birth certificate that include race, parent's birth/death certificate that indicates race, naturalization certificate)
- Indian/Native Americans Blood Degree Certificate (i.e. tribal registry letter, tribal roll register number) [if applicable]
- Two Years of Federal Tax Returns (Business)^{*1}
- Financial Statements (P & L, statement of cash flows, balance sheet, income statement)^{*2}
- Notes Payable (if any)
- Operating Business License and/or permits [if applicable]
- Lease Agreement
- Signature page of homeowners deed or mortgage receipt (**only if home based**)
- Resume(s) of owner(s), partners, shareholders or key employees (to include current enterprise and the definition of role within)
- Bank Signature Card or letter from bank identifying signatures on the account and type of account
- Equipment Rental and Purchase Agreements [if applicable]
- Current invoice receivables with proof of payment (at least two) (i.e. cancelled check, deposit slip, bank statement with matching amount)
- Equipment owned or available (include description of equipment, year acquired, and current value)
- Proof of Bonding Capacity [if applicable]
- Proof of EIN
- Non-refundable application processing fee based on annual gross revenue sales

CITY OF HOUSTON CERTIFIED MBEs SUBMIT:

- Current City of Houston Certification Certificate
- Authority for Release of Information Affidavit
- Signed, dated and notarized affidavit/declaration page
- Proof of U.S. Citizenship (US passport, long form original birth certificate, or driver's license **and** voter's registration card, naturalization certificate)
- Proof of Ethnicity for Owner(s), Partners, Shareholders (Foreign passport, long form original birth certificate that includes race, parent's birth/death certificate)
- Non-refundable application processing fee based on annual gross revenue sales

FRANCHISES SUBMIT:

- Franchise Agreement



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Certification Checklist Continued

PARTNERSHIPS SUBMIT:

- Partnership Agreements
- Buy Out Rights
- Profit Sharing
- Proof of Capital Investment (i.e. both side of cancelled checks, initial deposits, bank statements)
- Third-party agreements: management service agreements
- Certificate of Authority to Transact Business [if applicable]
- Certificate of limited partnership or certificate of formation
- General/Limited Partnership corporate documents (see LLCs/Corporations must submit) [if applicable]

LLCs SUBMIT:

- Assumed Name Certificate (filed with the Secretary of State) [if applicable]
- Certificate of organization
- Articles of Organization or Certificate of Formation (stamped copy from the Secretary of State)
- Articles of Amendment or Certificate of amendment [if applicable]
- Operating Agreement
- Proof of Capital Investment (i.e. both side of cancelled checks, equipment receipts, initial deposits, bank statements)
- Minutes of the organizational meeting or minutes of the meeting
- Minutes of the last meeting where members were identified and elected
- Copy of both sides of all certificates of ownership issued (no specimen) plus the next consecutive certificate not issued
- Copy of ownership transfer ledger or copy of membership transfer ledger
- Copy of any membership unit options or other ownership options outstanding as well as agreements which restrict ownership or control of minority owners
- Proof of unit purchase (i.e. both sides of cancelled checks, deposit slips, bank statements)
- Certificate of Authority to Transact Business – Foreign Entity Certificate [if applicable]

CORPORATIONS SUBMIT:

- Assumed Name Certificate (filed with the Secretary of State) -[if applicable]
- Certificate of Corporation
- Article of Incorporation or Certificate of formation (stamped copy from the Secretary of State)
- Articles of Amendment or Certificate of Amendment [if applicable]
- Corporate Bylaws or Governing documents
- Proof of Capital Investment (i.e. both side of cancelled checks, equipment receipts, initial deposits, bank statements)
- Minutes of 1st Organizational Board Meeting
- Minutes of the last Board meeting
- Minutes of the last meeting where officers were elected
- Copies of both sides of all stock certificates issued as well as the next consecutive certificate not issued
- Current Stock Ledger
- Proof of Stock purchase (i.e. both sides of cancelled checks, deposit slips, bank statements)
- Copy of any stock options or other ownership options outstanding as well as agreements which restrict ownership or control of minority owners
- Certificate of Authority to Transact Business [if applicable]



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Certification Fee Schedule

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Class 3: \$10M – \$49.99	\$650
Class 4: \$50M - above	\$800
Expedited (additional) ^{*3}	\$350

*1 Personal taxes if in business less than 1 year or if you do not file business tax returns.

*2 Financial statements must be Preformat statements to GAAP standards (Generally Accepted Accounting Principles) and signed by the President.

*3 Expedited certification is guaranteed to be completed in 10 business days. The process begins once a completed application and all supporting documents are submitted to HMSDC.

IMPORTANT NOTE

Please submit only required documents in chronological order. The submission of a neatly organized application accompanied with the required documents will expedite the processing of your application. Please provide an explanation for any documentation you cannot provide. If items listed are not applicable to your company, please let us know by stating NA.