

Diverse Business Definitions

Minority Business Enterprise (MBE): An organization that is: at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged and whose management and daily business operation is controlled by one or more such individuals. In the case of a publicly owned business, at least 51 percent of its stock must be unconditionally owned by one or more socially and economically disadvantaged individuals.

The following groups are considered minorities:

- Native Americans, including American Indians, Eskimos, Aleuts and native Hawaiians.
- **Asian Pacific Americans**, including all persons having origins in Japan, China, Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territory of the Pacific Islands (Republic of Palau), the Northern Mariana Islands, Laos, Kampuchea (Cambodia), Taiwan, Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Republic of the Marshall Islands, or the Federated States of Micronesia.
- **Asian Indian Americans**, including all persons having origins in India, Pakistan, Bangladesh, Sri Lanka, Bhutan or Nepal.
- **African Americans**, including all persons having origin in the Black racial groups of Africa.
- **Hispanic Americans**, including all persons having origins in Mexico, Puerto Rico, Cuba, Central or South America, or other Spanish culture origins.

Woman-Owned Business Enterprise (WBE): An organization that is at least 51 percent owned, controlled and administered by a woman or women who are U.S. citizens. (Note: Controlled is defined as exercising the power to make policy decisions. Operated is defined as actively involved in day-to-day management.)

Veteran Business Enterprises (VBE): A VBE is defined as a veteran who has served in the active military, naval or air services and who was discharged or released under conditions other than dishonorable. Active duty service is defined as active duty in the United States Army, Air Force, Navy, Marine Corps, or Coast Guard for any length of time and at place home and abroad. A veteran or group of veterans must have 51% ownership and control of the business.

Disabled Veteran Business Enterprise (DVBE): Any veteran that was disabled during active duty service and received a rating letter qualifies for being classified as a Disabled Veteran Business Enterprise. A similar 51% ownership and control of the business is applied to businesses owned by service-disabled veterans.

Service Disabled Veteran: A Service Disabled Veteran Business (SDV) must be at least 51% owned, operated and controlled by a veteran with a service connected disability of at least 10% and must be certified by the U. S. Department of Veteran Affairs or the Department of Defense.

Small Business Enterprise (SBE): A business independently owned, operated and in accordance with the definitions and size standards established by the SBA, available at <http://www.sba.gov/size>. The most common size standards are listed in the following section.

Small Disadvantaged Business Concern (SDB): Small disadvantaged business concern means a small business concern that is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business that has at least 51 percent of its stock unconditionally owned by one or more socially and economically disadvantaged individuals and that has its management and daily business controlled by one or more such individuals. This term also means a small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian tribe or Native Hawaiian Organization, or a publicly owned business that has at least 51 percent of its stock unconditionally owned by one of these entities, that has its management and daily business controlled by members of an economically disadvantaged Indian tribe or Native Hawaiian Organization, and that meets the requirements of 13 CFR 124.

Women-Owned Small Business Concern (WOSB): Women-owned small business concern means a small business concern which is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

Historically Underutilized Business Zone Small Business Concern (HUBZone): A qualified HUBZone small business concern is an organization that is a small business enterprise (SBE), is located in an historically underutilized business zone (HUBZone), is owned and controlled by one or more U.S. citizens and has at least 35 percent of employees residing in a HUBZone. A HUBZone is an area that is located in one or more of the following:

- A qualified census tract (as defined in section 42(d)(5)(C)(i)(1) of the Internal Revenue Code of 1986);
- A qualified non-metropolitan county that is: not located in a metropolitan statistical area (as defined in section 143(k)(2)(B) of the Internal Revenue Code of 1986), and a) in which the median household income is less than 80 percent of the non-metropolitan State median household income, or b) that based on the most recent data available from the Secretary of Labor, has an unemployment rate that is not less than 140 percent of the statewide average unemployment rate for the State in which the county is located;
- Is within the external boundaries of an Indian reservation.

HUBZone enterprises must certify as such with the U.S. Small Business Administration (SBA) and payments to HUB Zone enterprises are reported on the annual Subcontracting Government report.

Veteran-Owned Small Business

Is a small business that is at least 51% owned by one or more veterans or in the case of any publicly owned business, at least 51% of the stock of which is owned by one or more veterans. ([Veteran-Owned Small Business](#))

Service-Disabled Veteran-Owned Small Business

Means a small business that is at least 51% owned, operated and managed by one or more service-disabled veterans. In the case of any publicly owned business, at least 51% of the stock must be owned by one or more service-disabled veterans and whose management and daily business operations are controlled by one or more service-disabled veterans or in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran. A Service-disabled veteran is defined in 38 U.S.C. 101(2) with a disability that is service-connected. ([Service-Disabled Veteran-Owned Small Business](#))