



OHIO DEPARTMENT OF
ADMINISTRATIVE SERVICES

EQUAL OPPORTUNITY DIVISION
BUSINESS CERTIFICATION AND
COMPLIANCE UNIT

4200 SURFACE ROAD
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EDGE Graduation and Participation Time Limits

Background

The Encouraging Diversity, Growth and Equity (EDGE) program was created to encourage, nurture and support the growth of economically and socially underutilized businesses, to foster their development and to increase the number of qualified competitors in the marketplace. Like its federal counterpart, the U.S. Small Business Administration's (SBA) Section 8(a) program, this program provides a base of support over a set period of time that helps these businesses to compete successfully in the marketplace.

Since its inception in 2003, the EDGE program has:

- Certified more than 4,700 businesses.
- Increased state expenditures with EDGE-certified businesses from more than \$75 million in Fiscal Year 2004 to more than \$299 million in Fiscal Year 2017.

With this success a number of EDGE businesses are reaching the maximum 10-year time limit for program participation or they qualify as program graduates having grown their businesses over time, exceeding the net-worth or business-size threshold limits that had designated them as "economically disadvantaged" as set by the law establishing this program. As businesses graduate or reach maximum participation time for EDGE, program resources are freed up to assist more disadvantaged businesses.

Graduation and Time-Limit Policy

Graduation

For An Economically Disadvantaged Business Owner:

- The personal net worth of the economically disadvantaged business owner at the time of initial application must be less than \$250,000 and not exceed \$750,000 during any time of certification as an EDGE business.
- If a business graduates from the program because the economically disadvantaged business owner is no longer considered to be an "economically disadvantaged person," and the owner later becomes an "economically disadvantaged person" again, the owner may re-enter the program if other requirements are met. The business may re-enter the program after sitting out one year, but only for the amount of time the owner has left within the owner's 10-year time limit or until the owner's net worth again exceeds \$750,000.

For An Economically Disadvantaged Business:

- A business's participation in the program also will be limited if it grows beyond being a "small business" (as defined by the SBA) while in the program. Size standards represent the largest size that a business (including its subsidiaries and affiliates) may be to remain classified as a small business. A business can be determined to be a small business based on one of two criteria:
 1. the average of the gross receipts from the last three fiscal years, and/or
 2. the average number of employees during the last three fiscal years.
- In either case, the average amount of gross receipts or number of employees cannot exceed the North American Industry Classification System (NAICS) code size cap (established by the SBA). The Equal Opportunity Division (EOD) of the Ohio Department of Administrative Services assigns NAICS codes to businesses upon certification.
 - When a business applies for recertification biannually, EOD reviews the gross receipts and the number of employees from the last three fiscal years.
- If a business graduates from the EDGE program because it is no longer considered a small business, and later becomes "small" again, it may re-enter the program if all of the requirements are met. It may re-enter the program after sitting out at least one year, but only for the amount of time it has left within its 10-year time limit or until its size standards again exceed program thresholds.

EDGE ELIGIBILITY

Business owner:

- Economically disadvantaged
- Socially disadvantaged or business is in qualified census tract
- Own at least 51 percent of the business
- Day-to-day control
- Business operational at least one year
- Necessary licenses and permits
- U.S. citizen
- Ohio resident

EDGE Graduation and Participation Time Limits

10-Year Time Limit

The maximum amount of time a certified business or business owner may participate in the EDGE program is 10 total years.

- Certification time begins the date a business is first certified.
- Businesses or business owners that meet the total 10-year time-period are *not* eligible to re-enter the program.
- This allows eligible businesses to continue to access resources.

Post-Graduation/Time Limit

State Agencies:

EDGE Contract Credit

- As long as an EDGE-certified business does not withdraw its certification or have its certification revoked during the life of a contract, a state agency entering into a contract with an EDGE-certified business will be granted credit toward its EDGE goal for the EDGE business's performance on the contract should the business graduate from the program or be term-limited during the term of the contract.

Businesses:

Minority Business Enterprise (MBE) Certification

- For those businesses that are dual certified into both the EDGE and Minority Business Enterprise (MBE) programs, this policy has no impact on their MBE certifications.

Resources

- Once a business graduates or is time-limited, the business could continue to be eligible for one or more of the following programs offered through the Ohio Development Services Agency:

Program	Description	Available for
Minority Business Assistance Centers	Provides no-cost, confidential, in-depth, one-on-one counseling for businesses that will or currently employ fewer than 500 employees. Additional services include training, e-counseling, quality-based assessments, technical assistance, loan packaging guidance, and information on federal, state and local regulations and programs.	Time-limited businesses and those who are defined as having economically disadvantaged business owners.
Capital Access Program	Provides a loan portfolio insurance program (similar to a loan guarantee) that enables small businesses to obtain credit to help them grow and expand their businesses.	Time-limited businesses and those who are defined as having economically disadvantaged owners.
Collateral Enhancement Program (CEP)	Facilitates increased lending by banks to small businesses and minority-owned businesses that need access to capital for growth or expansion.	Time-limited businesses and those who are defined as having economically disadvantaged owners.
Minority Business Bonding Program	Provides bid, performance and payment surety bonds to state certified minority-owned businesses that are unable to obtain bonding through standard surety companies.	Time-limited businesses and those who are defined as having economically disadvantaged owners who also are an MBE-certified business.
Minority Business Direct Loan Program	Provides fixed, low-interest rate loans to certified minority-owned businesses that are purchasing or improving fixed assets resulting in creating new jobs for Ohioans.	Time-limited businesses and those who are defined as having economically disadvantaged owners who also are an MBE-certified business.
Procurement Technical Assistance Centers (PTAC)	Matches local businesses with contract opportunities, researches past contracts, helps clients prepare bids and navigate requirements, and assists clients after winning contracts.	All



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