



Glossary

A

[Acceptable Documentation For Minority Certification](#)

(a) Any government-issued identification expressly stating the applicant's race and/or gender. Examples of such include: (1) Birth certificate; (2) Driver's license (only as proof of gender); and (3) Marriage license. (b) A signed and sworn affidavit. The affidavit shall be a written statement including: (1) Name of person (of minority descent) and business owned; (2) The minority group to which the person belongs and supporting documentation substantiating how the person belongs; and (3) The individual's signature and the date, signed before a notary or a commissioner of the Superior Court. (c) Tribal membership/license or identification, for individuals of Native American descent; and (d) For individual(s) with disabilities, includes (A) having a physical impairment that substantially limits one or more of the major life activities of the individual or (B) having a record of such an impairment

[Accounting Methods](#)

Each taxpayer must use a consistent accounting method, which is a set of rules for determining how and when to report income and expenses. See [Cash Method](#), [Accrual Method](#).

[Accrual Method](#)

Report income in the tax year you earn it, regardless of when payment is received, and deduct expenses in the tax year you incur them, regardless of when payment is made.

[Affiliation](#)

The relationship in which a person directly, or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person.
For the purposes of **Supplier Diversity certification**, affiliation is implied if an individual or the company itself owns 20% or more of the applying company and 20% or more of another company(ies). The gross revenues of each company are combined to determine if the gross revenue standard is met. The summation must be under 15 million dollars.

[Aggregate Work Capacity \(AWC\) Requested](#)

Aggregate Work Capacity (AWC) Requested and **Single Limit Requested** are the bonding amounts your company is requesting for the Prequalification program. You may request an AWC and Single Limit for this program up to but not exceeding the limits supported by your bonding company.
Because ongoing bonded work draws from your available program AWC, it is recommended that you apply for a program AWC at or near your bonding limit.

B

Biznet Account	A log-in ID to access the on-line services offered by the Department of Administrative Services. You can create a Biznet account by visiting https://www.biznet.ct.gov/AccountMaint/NewLog https://www.biznet.ct.gov/AccountMaint/NewLogin.aspx
Bond	<p>Completion Bond A form of surety or guaranty agreement which contains the promise of a third party, usually a bonding company, to complete or pay for the cost of completion of a construction contract if the construction contractor defaults. Bond given to insure public authority that contract once awarded will be completed as awarded within fixed period of time. Contract Bond A guarantee of the faithful performance of a construction contract and the payment of all material and labor costs incident thereto. Performance Bond Type of contract bond which protects against loss due to the inability or refusal of a contractor to perform his contract.</p>
Bonding Limits	<p>There are two main types of Bonding Limits: Aggregate Work Capacity - means the maximum amount of work an applicant is capable of undertaking for any and all projects. Single Project Limit - means the highest estimated cost of a single project that an applicant is capable of undertaking.</p>
Broker	<p>One who acts as an agent for others in negotiating contracts, purchases, or sales in return for a fee or commission.</p>
Business Structure	<p>Your company's business formal arrangement, i.e., corporation, limited liability company, limited liability partnership, general partnership, sole proprietorship.</p> <p>Corporation: An association of persons created by statute as a legal entity. The law treats the corporation itself as a person which can sue and be sued. The corporation is distinct from the individuals (shareholders) who comprise it.</p> <p>Limited Liability Company: A form of business consisting of one or more members to carry on business for profit but whose member(s) are generally insulated from liabilities of the Limited Liability Company (LLC).</p> <p>Limited Liability Partnership: A form of business consisting of one or more general partners, jointly and severally responsible as ordinary partners, and by whom the business is conducted, and one or more special partners, contributing in cash payments a specific sum as capital to the common stock, and who are not liable for the debts of the partnership beyond the fund so contributed.</p> <p>General Partnership: A form of business in which two or more people conduct business and share in the profits and losses of the business.</p> <p>Sole Proprietorship: A form of business in which one person owns all the assets of the business and is solely liable for all the debts of the business.</p>
By-laws	<p>The rules and regulations adopted by a corporation for its internal governance. By-laws usually contains provisions relating to shareholders, directors, officers and general corporate business. At the corporation's initial meetings the bylaws are adopted. Bylaws are a private document not filed with any state authority.</p>

C

C Corporation	A regular corporation governed by Subchapter C of the Internal Revenue Code which determines the tax treatment of the corporation.
Cash Method	Report income in the tax year you receive it and deduct expenses in the tax year you pay them.
Certificate of Incorporation	The document prepared by the Office of the Secretary of the State that evidences the acceptance of articles of incorporation and the commencement of the corporate existence.
Commercially Useful Function	Work the small or minority business (SBE/MBE) on the state contract actually performs, manages or supervises. Work is not a commercially useful function if the SBE/MBE role is limited to that of an extra participant for the appearance of SBE/MBE participation involvement.
Contact Name	First and last name of the person who should be reached regarding your company's Supplier Diversity application.
Contract Negotiations	To meet with another to work out, arrive at, or settle upon by agreements or compromises the mutual obligations of each party involved in legally binding business transactions.
Control	<p>The power to direct or cause the direction of the management and policies of any person, whether through the ownership of voting securities, by contract or through any other direct or indirect means. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing twenty per cent of more of any voting securities of another person.</p> <p>The principal/s of the applicant firm must demonstrate financial resources to acquire ownership and past experience that verifies demonstrated capability to engage in business in the area for which certification is sought. It is of no consequence that other partners/owners, spouses or employees have these abilities, or resources.</p>
Corporation	An association of persons created by statute as a legal entity. The law treats the corporation itself as a person which can sue and be sued. The corporation is distinct from the individuals (shareholders) who comprise it.

D

DAS Prequalification	The DAS Contractor Prequalification Program (C.G.S §4a-100) requires all contractors to prequalify “before they can bid on any construction, alteration, remodeling, repair or demolition of any public building, for work by the state or a municipality, estimated to cost more than \$500,000 and which is funded in whole or in part with state funds.
Date Established	Date company first came into existence.

Disabled As Defined by CGS 4a-60g as amended by Public Act 07-04, an individual with a disability means: an individual (A) having a physical or mental impairment that substantially limits one or more of the major life activities of the individual, or (B) having a record of such impairment.

Doing Business As (dba) The name of the company with which the public is more familiar.

DOT Certified The Connecticut Department of Transportation offers a program that allows minority owned companies to become certified as a Disadvantaged Business Enterprise (DBE). Certification as a DBE enables firms to participate in federally funded contracts which are set-aside for DBE's or have a DBE set-aside goal.

E

Email Email address for the person indicated as the company contact person.

Enterprise Operational Issues To determine if the majority owner(s) reported as being the owner of the enterprise is actively involved in, and to what degree exercises active daily control of the enterprise, the following documents and other business records, as available, will be reviewed.

Signed contracts and bidding documents Enterprise business licenses Resume and/or work history of enterprise principles Bank signatory cards Space & equipment leases and rental agreements Vehicle registrations Enterprise insurance documents Enterprise organizational chart Enterprise business plan

Experience Modification Rate (EMR) A term used in the American insurance business and more specifically in workers' compensation insurance. It is the adjustment of annual premium based on previous loss experience. Usually three years of loss experience are used to determine the experience modifier for a workers' compensation policy. The three years typically include not the immediate past year, but the three prior. For instance, if a policy expired on January 1, 2007, the data included on the Experience modification would comprise the period from January 1, 2003 to January 1, 2006.

F

FEIN Federal Employer Identification Number.

Franchise A form of business in which the owner, or franchiser, gives license to distribute products, services or methods of business to affiliated dealers, franchisees. In many cases franchisees are given exclusive access to a particular geographical area. The franchiser usually mandates uniform symbols, trademarks and standardized services.

G

General Partnership A form of business in which two or more people conduct business and share in the profits and losses of the business.

Gross Receipts

Company's gross returns for the most recently completed fiscal year. For the purposes of the **Supplier Diversity program**, a company which had gross revenues not exceeding fifteen million dollars in the most recently completed fiscal year prior to application for certification may be eligible for the program.

H

Has Been Doing Business

The company is currently and actively in business, able to demonstrate that the revenue stream has begun or is about to begin, substantial marketing is taking place, the company owns or leases the resources that are typical for a business in the industry, and the business facility is appropriate for conducting business of its type at its present stage and development. A company will not be deemed to "have been doing business" if the company was established or reorganized for the specific purpose of taking advantage of special programs, which may have been developed to assist an SBE/MBE.

Headquarters

A center of administration or operations.

How Established

How your business was first established, i.e., your company may have purchased an existing business, secured a franchise, merged, consolidated, etc.

I

Individual With a Disability

As Defined by CGS 4a-60g as amended by Public Act 07-04, an individual with a disability means: an individual (A) having a physical or mental impairment that substantially limits one or more of the major life activities of the individual, or (B) having a record of such impairment.

J

Joint Venture

A one-time grouping of two or more persons in a business undertaking. Unlike a partnership, a joint venture does not entail a continuing relationship among the parties.

K

Key Personnel

Directors, managers, officers, principal employees.

L

Lawful Permanent Resident

Any person who occupies a dwelling within the State, has a present intent to remain within the State for a period of time, and manifests the genuineness of that intent by establishing an ongoing physical presence within the State together with indication that his presence within the State is something other than merely transitory in nature.

Legal Business Name

The designation of a firm or corporation which is required to register, record, or register and record the name with state, county or state and county officials.

Limited Liability Company

A form of business consisting of one or more members to carry on business for profit but whose member(s) are generally insulated from liabilities of the Limited Liability Company (LLC).

Limited Liability Partnership

A form of business consisting of one or more general partners, jointly and severally responsible as ordinary partners, and by whom the business is conducted, and one or more special partners, contributing in cash payments a specific sum as capital to the common stock, and who are not liable for the debts of the partnership beyond the fund so contributed.

M

Management Control

Having the demonstrable background and technical competence necessary to weigh all advice given and to make independent and unilateral determinations relating to the activities engaged in by the applicant, including key determinations relating to the day to day work of employees and workforce involved operationally and technically in the specific endeavors which generate the applicant's revenues.

- Not being engaged in other business or professional pursuits which preclude him/her from devoting what would be reasonably deemed an adequate amount of time to conduct the operation of the business;
- barring extenuating circumstances, being the sole or one of the required signatories on the enterprise checks, invoices, and contracts;
- being actively involved in the preparation and negotiation of bids and contracts for the enterprise;
- having substantial control over the hiring, promotion and firing of the employees of the enterprise;
- Substantial supervision of jobs that the enterprise undertakes, both on and off the job site;
- having unrestricted access and authority over necessary payroll, tax, personnel, insurance and other records and books of the enterprise;

Demonstrating expertise and experience in the subject area of its contracts. In lieu of such demonstrable experience and expertise, the majority owner or officer may document definite plans in the near future to gain such experience and expertise. Such plans may include the following:

- Participation in regular classes on the subject matter in question;
- Participation in special trades training programs on the subject matter in question;
- Participation in a joint venture covering the subject matter in question.

The above plans and activities must establish that the majority owner(s) is acquiring the necessary expertise and/or experience to exercise operational/managerial control over the enterprise.

Manufacturer

One who by labor, art, or skill transforms raw material into some kind of a finished product or article of trade.

Minority Business Enterprise (MBE)

Any small contractor

- A. In which 51% or more of the capital stock, if any, or assets of which are owned by a person or persons:
 - i. Who exercise operational authority over the daily affairs of the enterprise,
 - ii. Who have the power to direct the management and policies and receive the beneficial interest of the enterprise, and
 - iii. Who are members of a minority (as defined below)
- B. Who is an individual with a disability, or
- C. Which is a non-profit corporation in which 51% or more of the persons who exercise operational authority over the daily affairs of the business and have the power to direct the management and policies and receive the beneficial interests of the business, except that a nonprofit corporation shall be construed to be a small contractor if such nonprofit corporation meets the requirements of subparagraphs (A) and (B) of this subdivision.

Minority Affiliation

A person who meets one or more of the following definitions: (a) **American Indian or Native American**: all persons having origins of the original people of North America and who are recognized as Indian by tribe or tribal organization; (b) **Asian**: all people having origins in any of the original peoples of the Far East, Southeast Asia, the Indian sub-continent, or the Pacific Islands, including, but not limited to China, Japan, Korea, Samoa, Indian and the Philippine Islands; (c) **Black**: all persons having origins in any of the Black racial groups of Africa, including, but not limited to, African-Americans, and all persons having origins in any of the original peoples of the Cape Verberna Islands; (d) **Hispanic**: all persons having their origins in any of the Spanish-speaking peoples of Mexico, Puerto Rico, Cuba, Central or South America, or the Caribbean Islands; (e) All persons having origins in the **Iberian Peninsula**, including Portugal, regardless of race; (f) **Woman** (g) **Individual with a disability**: means an individual (A) having a physical impairment that substantially limits one or more of the major life activities of the individual or (B) having a record of such an impairment

Month Fiscal Year End

This is the date of your company's internal fiscal year end. (Fiscal Calendar Year).

N

Non-Profit

Not conducted or maintained for the purpose of making a profit. Eligibility of non-profit corporations under the provisions of the Supplier Diversity program shall be limited to predevelopment contracts awarded by the Commissioner of Economic and Community Development for housing projects.

Non-Published

Not available to the public.

Number of Employees

Number of full or part time company staff.

Number of years Current Management

The number of years the company has been under the operational authority of current management. See [Operational Authority, Control](#).

Number of years current Name	The number of years your company has existed with its current legal business name. See Legal Business Name .
Number of Years Current Owner	The number of years your company has existed under its current ownership.

O

Operating Agreement	An agreement similar to a corporation's by-laws among the LLC's members which govern the LLC's operations and the rights of its members. For purposes of the Supplier Diversity Program, the operating agreement must be written.
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Operational Authority	<p>Having the power to make, legally and in practice, the definite decisions of the applicant without being subject to any agreement or document restricting control, or the approval or veto of any other person, business enterprise, or organization; and having dominant control in the conducting of all major aspects of the applicant. This includes:</p> <ul style="list-style-type: none"> • having dominant control over management and daily operations, and • having the demonstrable background and technical competence necessary to weigh all advice given and to make independent and unilateral determinations relating to the activities engaged in by the applicant, including key determinations relating to the day-to-day work of employees and workforce involved operationally and technically in the specific endeavors which generate the applicant's revenues, and • having a thorough knowledge of the financial structure, policies and affairs of the applicant, and • having dominant control of the financial affairs and accounts of the applicant and • having dominant control over the hiring and firing of employees, including key employees, as well as any other personnel and workforce decisions of the applicant, and • having dominant control over the solicitation and negotiation of contracts, marketing, estimating, and offering and acceptance or rejection of bids, and • having dominant control over the purchase of goods, equipment, business inventory and service needed in the day-to-day operation of the applicant, and • having dominant control over the applicant's governing body, if any.
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Organization Type	
Out-of-state applicant or entity	An applicant or entity whose principal place of business is located outside of Connecticut.

Ownership

The eligible principal(s) must have the right to and actually receive the level and kind of profit, benefits and customary incidents of ownership, if any, that are commensurate with the level and kind of ownership reflected in the ownership documents; the eligible principal(s) must be at risk for, and actually incur losses, if any, of the business enterprise in the manner and to the extent which is commensurate with the level and kind of ownership reflected in the ownership documents; the eligible principal's(s') ownership must be continuing; and the certification criteria must be met in substance as well as form. Profits, dividends, salaries, debt repayments, retained earnings and distributions of any kind (including distributions upon liquidation) are included among all of the indicators which may be considered.

P

Parent Company

Company holding more than 50% of the voting shares or otherwise a controlling interest, of another company, called the subsidiary.

Person

An individual, Corporation, Limited Liability Company, Partnership, Association, Joint Stock Company, Business Trust, Unincorporated Organization or other entity.

Pre-Certification

Certification type for Small and Minority Business Enterprises who have established a principal place of business in the State of Connecticut, but have not maintained such place of business for one year.

*See Frequently Asked Questions #4 for further information regarding [Utilization of Pre-Certified Vendors](#)

Previous Name

The previous legal business name, if any, under which your company conducted business.

Previous Start/End

The start and end dates of the period during which your company conducted business under the previous name listed on application.

Principal Place of Business

The location of the nerve center of a company. A company's principal place of business is determined to be located in Connecticut if the nerve center from which its officers control and coordinate corporate activities in furtherance of corporate objectives is within this state, or if the location of its overall active management is within this state.

Producer

One who produces, brings forth, or generates. Term is commonly used to denote person who raises agricultural products and puts them in condition for the market.

S

S Corporation

A small business corporation with a statutorily limited number of shareholders and governed under Subchapter S of the Internal Revenue Code.

Service Disabled Veteran

A veteran with a disability that is service connected (as defined in section 101 (16) of title 38, United States Code).

Service Establishment

An establishment which has ordinary characteristics of retail establishments except services instead of goods are sold.

Signature Authority The person or persons within the organization designated with the right to sign documents for the company such as Contracts, Leases, Insurance Policies, Bank Signature Cards, Company Checks, and other legally binding agreements.

Single Limit Requested **Aggregate Work Capacity (AWC) Requested** and **Single Limit Requested** are the bonding amounts your company is requesting for the Prequalification program. You may request an AWC and Single Limit for this program up to but not exceeding the limits supported by your bonding company. Because ongoing bonded work draws from your available program AWC, it is recommended that you apply for a program AWC at or near your bonding limit.

Small Business Enterprise (SBE) Under Connecticut General Statutes Section 4a-60g, any contractor, subcontractor, manufacturer or service company

- A. which has been doing business under the same ownership or management and has maintained its principal place of business in the state, for a period of at least one year immediately prior to the date of application for certification under this section,
- B. which had gross revenues not exceeding fifteen million dollars in the most recently completed fiscal year prior to such application and
- C. at least fifty-one per cent of the ownership of which is held by a person or persons who exercise operational authority over the daily affairs of the business and have the power to direct the management and policies and receive the beneficial interests of the business, except that a nonprofit corporation shall be construed to be a small contractor if such nonprofit corporation meets the requirements of subparagraphs (A) and (B) of this subdivisi

Sole Proprietorship A form of business in which one person owns all the assets of the business and is solely liable for all the debts of the business.

Stock Certificate A document of a corporation or joint-stock company that named person is owner of designated number of shares of stock. Written evidence of ownership of stock, and the rights and liabilities resulting from such ownership.

Subcontractor A person who enters into a subcontract (a contract that assigns some of the obligations of a prior contract to another party) and assumes some of the obligations of the primary contractor.

Subsidiary Corporation One in which another corporation (parent corporation) owns at least a majority of the shares and has control. See **Control**

T

TIN Type Taxpayer Identification Number is a Federal Employer Identification Number (FEIN) or Social Security Number (SSN).

Trade An occupation or regular means of livelihood and is business one practices or the work in which one engages regularly. One's calling; occupation; means of livelihood.

Trade Name The name under which a business firm operates.

V

Veteran

A person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

W

Web Address

Company's web site address.

Workforce Control

Having dominant control over the day-to-day functions of company employees involved operationally and technically in the specific endeavors which generate the applicant's revenues. See [Operational Authority](#), [Control](#).