

MoDOT

# Disadvantaged Business Enterprise Program Application

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*Frequently Asked Questions &  
Instructions*



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# Individual Personal Net Worth

## *Frequently Asked Questions*

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### **1. Why Must I Tell MoDOT Anything About My Personal Finances?**

The New Federal Regulations For The DBE Program Require That The Disadvantaged Owner Of A Firm Seeking Certification Must Demonstrate "Social And Economic" Disadvantage. Economic Disadvantage Is Defined As An ***Individual Personal*** Net Worth Less Than \$750,000. This Cap Is Applied Before Consideration Of Any Other Eligibility Standards Can Take Place.

### **2. Who Must Complete The MoDOT Statement Of Individual Personal Net Worth Form?**

Only The Individual Upon Whom The Disadvantage Status Is Based Must Submit The Statement Of Individual Personal Net Worth. If The Disadvantaged Status Is Dependant On More Than One Individual, All Of Those Owners Must Submit A Separate Statement Of Individual Personal Net Worth.

### **3. Must I Submit The MoDOT Statement Of Individual Personal Net Worth Form Supplied By MoDOT?**

You May Choose To Submit A Certified Statement Of Individual Personal Net Worth Prepared By A Certified Public Accountant (CPA). This Statement Must Be Supplemented With The Certified CPA Net Worth Addendum Supplied By MoDOT, With The Application Packet. If You Do Not Have This Form, You Should Contact MoDOT. Any CPA Statement Received Without The Addendum Will Be Returned As Incomplete.

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#### **4. Am I Required To Include All Of The Documentation Requested?**

If You Submit The Certified CPA Statement Of Net Worth And The Addendum, You Are Not Required To Submit The Documentation Set Out In The MoDOT Statement Of Individual Personal Net Worth Form. However, All Documents Used In Preparation Of The Statement Must Be Available To Authorized MoDOT Personnel Upon Request.

If You Submit The MoDOT Statement Of Individual Personal Net Worth Form, You Must Submit The Required Documentation. Any Statements Submitted Without The Documents Will Be Returned As Incomplete.

#### **5. What Information Is Required?**

- ❖ All Assets & Liabilities Individually & Jointly Held, Including Household Goods.
- ❖ All Real Estate, Including Personal Residence.
- ❖ All Stocks Or Ownership Interest In Any Business, Including The Applicant Firm.
- ❖ Any Insurance Policies, Bonds, Stocks, Or Any Other Asset.
- ❖ Any Unpaid Taxes, Loans, Credit Card Debt, Or Any Other Liability.
- ❖ Any Transfers Of Property Within 180 Days Of The Application For Certification.

#### **6. Why Must I Include Assets And Liabilities Jointly Held?**

Any Assets And Liabilities Held Jointly Include An Amount Attributable To The Individual Personal Net Worth Of The Applicant. These Assets Must Be Included In Order To Make An Accurate Determination.

#### **7. Why Must I Include Information On My Personal Residence And Business Interest If They Are Excluded?**

This Information Must Be Submitted In Order To Assist In The Verification Of Individual Personal Net Worth And May Raise Red Flags To Be Investigated Further. In Addition, The Information Relating To Business Interest May Be Necessary To Verify Ownership Eligibility Requirements.

#### **8. How Is The Calculation Of My Individual Personal Net Worth Made?**

MoDOT Will Calculate The Total Value Of Assets & Liabilities, Including Those Individually Held And The Portions Of Those Jointly Held Attributable To The Individual Applying For Disadvantaged Status. The Difference Between The Assets And Liabilities Is The Individual Personal Net Worth To Be Considered.

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**9. Why Must I List Any Transfers Of Assets?**

In Order For MoDOT To Accurately Verify The Individual Personal Net Worth Of The Individual Applying For Disadvantaged Status, It Is Necessary To Verify The Actual Assets Possessed. If, At Any Time, MoDOT Finds Assets Were Transferred To Reduce The Individual Net Worth Below The \$750,000 Cap, That Firm Is Subject To Denial Or De-Certification And Any Other Remedy Available Under State And Federal Law.

**10. Do I Have Any Recourse Or Appeal If I Disagree With MoDOT's Determination Of Individual Net Worth?**

You Have The Right To Request An Appeal Of MoDOT's Determination Of Individual Personal Net Worth In The Same Manner As Appeals Of DBE Eligibility. Specifically, You Must Request An Informal Hearing Within 14 Days Of The Notice Of Exceeding The Net Worth Cap. You Will Then Have The Ability To Rebut The Calculation Of Individual Personal Net Worth.

**11. Is The Information Submitted To MoDOT Confidential?**

MoDOT Is Required To Hold All Financial And Business Records Confidential, Over And Above Any State Law Relating To The Release Of Information.

**12. What Happens If I Refuse To Submit The Statement Of Individual Personal Net Worth Or A Certified CPA Statement Of Net Worth?**

MoDOT Will Not Count Any Work Toward Meeting The DBE Goal, On Any Project You Contract Or Subcontract Unless We Have Received The Statement Of Individual Personal Net Worth. In Addition, If The Statement Is Not Received At The Time Of Re-Certification You Will Be Denied Continued Eligibility And Removed From The DBE Directory.

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# Individual Personal Net Worth

## *Instructions*

### General

You Have The Option To Submit Your Personal Net Worth On The Form Supplied By MoDOT, Or You May Submit A Personal Net Worth Statement Prepared By And Attested To By A Certified Public Accountant (CPA). If You Choose To Submit The CPA Prepared Statement, The CPA **Must** Complete And Attach The Enclosed Addendum With The Personal Net Worth Statement.

All Assets And Liabilities **Must** Be Reported For All Items Held Individually And Jointly. MoDOT Will Apply One Half Of All Jointly Held Assets And Liabilities To Your Individual Personal Net Worth.

The Affidavit Of Economic Disadvantage And The Separate Affidavit Of Social Disadvantage Must Be Submitted With The Statement Of Individual Personal Net Worth And The CPA Prepared Statement Of Net Worth With Addendum. MoDOT Will Return Any Incomplete Statements Including, Failure To Submit The Required Information, Lack of Documentation, Or Incomplete Affidavits.

The Statement Of Personal Net Worth, Required Documentation, And Affidavits Of Social & Economic Disadvantage Must Be Submitted With The DBE Application. The Completed Application And Documents Should Be Forwarded To:

MoDOT  
P.O. Box 270  
Jefferson City, MO 64102  
Attention: Office of the Inspector General  
External Civil Rights Unit

***Any Omissions, False Statements, Or Misrepresentations Will Result In Removal Of DBE Eligibility And Any Other Remedies Available Under State And Federal Law.***

## Section by Section

If You Choose To Submit Your Personal Net Worth On The Form Supplied By MoDOT You Must Include Documentation Of Each Item. The Exception To This Is Household Goods, Jewelry & Furs, And Credit Card Debt.

### Documentation Checklist

#### 1. Assets

✓ **Bank Accounts**

Include **All** Personal Accounts Held Individually And Jointly. You Do Not Have To Include Any Business Accounts Of The Firm Applying For DBE Certification. In Addition, You Do Not Have To Include Any Other Business Accounts If Those Accounts Have Been Included In The Net Worth Statements Required In Section 4.

✓ **Bonds**

All Bonds Held Individually And Jointly, Including Documentation Of The Bonds, Name(s) Of Owners, And Value.

✓ **Assets Held In Trust**

Documentation Of The Trust, Settlor, Beneficiaries, Assets, And Valuation Of The Assets.

✓ **Life Insurance**

Documentation Of Any Life Insurance Policies Held, Including Beneficiaries, Policy Amount, And Cash Surrender Value.

✓ **Any Other Assets**

Documentation Of All Other Assets, However, You May Report A Lump Sum Value Of Household Goods, Jewelry, Art, And Furs. The Lump Sum Amount Must Be Reasonably Set And Is Subject To Review By MoDOT.

✓ **Real Estate**

Documentation Of All Real Estate Individually And Jointly Held. Include Personal Residence And Business Real Estate. The Personal Residence And A Reasonable Amount Of Land Is Excluded. If The Residence Is Part Of A Farm Or Other Large Portion Of Real Estate, Submit A Separate Valuation For The Residence And The Remaining Land.

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## 2. Liabilities

- ✓ Unpaid Taxes

Documentation Of All Outstanding Tax Liens.

- ✓ Notes Payable To Banks & Others

Documentation Of All Debt To Banks, Individuals, Or Any Other Entity. Do Not Include Those Reported In Previous Sections.

- ✓ Other Liabilities

Documentation Of Any Other Liabilities, Including Credit Card Debt. You Do Not Have To Itemized All Credit Cards, However, The Amount And Details Are Subject To Review By MoDOT.

## 3. Transfers

Documentation Of All Transfers Of Assets Within 180 Days Prior To Submission Of The DBE Application, Or Deadline For Submission Of The Statement Of Individual Personal Net Worth.

## 4. Business Interests

- ✓ Sole Proprietorships

Net Worth Statement Of All Sole Proprietorships, Including The Firm Applying For DBE Certification.

- ✓ General Partnerships, Joint Ventures

Net Worth Statement Of All General Partnerships And Joint Ventures, Including The Firm Applying For DBE Certification, Including Percent Of Ownership Interest.

- ✓ Limited Liability Corporations, Limited Partnerships, & Closely Held Corporations

Net Worth Statement Of All Limited Liability Corporations, Limited Partnerships, & Closely Held Corporations, Including The Firm Applying For DBE Certification. Include Documentation Of The Number Of Shares Owned And Outstanding.

- ✓ Publicly Traded Corporations

Net Worth Statement Of All Publicly Traded Corporations, Including The Firm Applying For DBE Certification. Include Documentation Of The Number Of Shares Owned And Outstanding.

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# Frequently Asked Questions

## *Certification*

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### 1. What Are The Eligibility Requirements For DBE Certification?

The Eligibility Requirements Are Set Out In The Code Of Federal Regulations, 49 CFR Part 26. We Have Included The Section Relating To The Specific Requirements In This Packet For Your Review. Those Requirements Include, But Are Not Limited To:

***An Ongoing Business, Owned (At Least 51%) And Controlled By An Individual That Is Socially And Economically Disadvantaged As Defined By The Code Of Federal Regulations.***

### 2. What Is The Certification Process?

The Certification Process Is Standardized And Includes The Following:

- ❖ DBE Certification Applications Are Submitted To:

**MoDOT  
P.O. Box 270  
Jefferson City, MO 65102**

**Attention: Office of the Inspector General**

- ❖ The Application Is Assigned To A Specialist To Begin The Review Process.
  - ❖ A Determination Of Individual Personal Net Worth Is Made.
  - ❖ The Specialist Reviews All Submitted Documentation And May Make A Request For Additional Information.
  - ❖ An On-Site Visit Will Be Scheduled For All Company's Seeking Certification For The First Time, Except Out Of State Companies. If The Company Is Out Of State, MoDOT Will Request Documentation Of Certification And On-Site Results From The Company's "Home" State.
  - ❖ The Specialist Will Review All Information And Make A Determination On Eligibility For Participation In MoDOT's DBE Program. The Firm Will Be Notified In Writing Of The Decision.
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**3. How Long Will It Take To Receive A Decision On My Certification Application?**

The Response Time Varies, However MoDOT Must Make A Decision Within 90 Days Of Receipt Of The Completed Application, Including All Required Documentation. If It Is Necessary To Request Additional Documentation, Or The Application And Document List Is Incomplete, The Process Will Be Delayed.

**4. When Is My Application For Renewal Of DBE Certification Due?**

DBE Certification Is Now For A Period Of 3 Years. However, All Firms Are Required To Submit A Short Update On An Annual Basis. That Update Must Include Any Changes To Your Individual Personal Net Worth. The DBE Update Or Application Is Due 30 Days Prior To The Expiration Date Set Out In The Letter Of Certification. MoDOT Sends All Certified Firms An Application For Re-Certification 90 Days Prior To The Date Of Expiration. It Is Your Responsibility To Ensure That The Application Is Completed And Returned To MoDOT. Failure To Submit The Application In A Timely Manner Will Result In The Deletion Of Your Firm From The List Of Companies Certified To Participate As A DBE Firm.

If Your Firm Is Deleted, You Will Be Required To Submit A New Application, Including All Documentation. The Firm Will Be Subject To An Examination And On-Site Review As If It Was Requesting Certification For The First Time.

**5. Can I Bid On MoDOT Projects Prior To My Certification?**

Your DBE Status DOES NOT Preclude You From Bidding On MoDOT Projects Or Bidding With Prime Contractors For A Subcontract. Certification Is Not A License Or Approval For Doing Business With MoDOT. It Is Merely Used To Determine DBE Participation Toward The Contractual Goal. If You Receive A Contract, Or Subcontract, Prior To Your Certification, You Are Able To Perform That Work, However, The Dollar Amount Of That Work Would NOT Be Counted Toward Meeting The DBE Participation Goal On That Project.

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# Frequently Asked Questions

## *Appeals Process*

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### 1. What Happens If My Application Is Denied?

All Applicant's Are Entitled To An Informal Hearing With MoDOT Concerning A Denial Of Certification, Denial Of Re-Certification, Or De-Certification. You May Request That Hearing Within 14 Days Of The Denial Letter. In Addition, You May Choose To Appeal Directly To The United States Department Of Transportation (USDOT). In Addition, If You Do Not Agree With The MoDOT Determination After The Hearing You May Still Appeal To USDOT.

To Request An Informal Hearing With MoDOT Contact:

**Ms. Barb Nunnery  
MoDOT  
Office of the Inspector General  
P.O. Box 270  
Jefferson City, MO 65102  
(573) 526-8166**

To Request A Hearing With The USDOT Contact:

**Director  
Office Of Civil Rights  
U.S. Department Of Transportation  
400 Seventh Street, SW., Room 9201  
Washington, DC 20590**

### 2. If I Was Certified, Do I Remain Certified During The Appeal Process?

Your Certification Remains In Effect Until The Final Determination From MoDOT. If The Decision Of The Informal Hearing Is To De-Certify Or Deny Re-Certification, Your Firm Will Be Deleted From The DBE Directory. You Still Have The Right To Appeal To U.S. DOT, However, Your Firm Will NOT Remain On The List Of Certified DBE Companies During That Appeal.

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# MoDOT

**SUPPORT CENTER**  
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