

## Eligibility Requirements

### Eligibility Requirements for the Protégé

#### Size Eligibility

Are you a small business concern? Except for small agricultural cooperatives, small businesses that are eligible for assistance from the SBA are: organized for profit; have a place of business located in the United States (U.S.); operate primarily within the U.S.; or make significant contributions to the U.S. economy through the payment of taxes or use of American products, materials or labor.

In determining a business's size, the SBA counts the receipts, employees, or other measure of size for the business in question, and all of its domestic and foreign affiliates, regardless of whether those affiliates are organized for profit.

To determine whether your firm qualifies as a small business concern, please use our [Size Standards Tool](#). For a full overview of how the SBA defines a "business concern," or a "concern," please see [CFR 121.105](#).

#### NAICS Code

To meet the program's eligibility requirements, prospective protégés must either: 1) qualify as small for the size standard corresponding to their primary North American Industry Classification System (NAICS) code; or 2) qualify as small under their secondary NAICs code(s) and identify that they are seeking business development assistance under that specific secondary code.

To identify your primary and, or secondary NAICs code(s), please visit the [United States Census Bureau NAICS website](#). If you have additional questions on how to determine your NAICs code(s), please click [here](#).

Businesses may self-certify that they qualify as small for their primary or secondary NAICs code(s). However, if the small business concern does not meet the size standard under its primary code and is seeking to qualify as a protégé under a secondary NAICs code, they must demonstrate how the mentor-protégé relationship is a logical business progression that will develop and expand their current capabilities.

The SBA considers the distribution of receipts, employees and costs of doing business among the different industries in which business operations occurred for the most recently completed fiscal year, in determining the primary industry in which a concern or a concern combined with its affiliates is engaged, the SBA may consider other factors such as the distribution of patents, contract awards, and assets.

The SBA will not approve a mentor-protégé relationship in a secondary code in which the business has no prior experience. For additional information, please see [13 CFR 125.9\(c\)\(1\)](#).

Additionally, prospective program participants must be registered in the Federal Government's [System for Award Management \(SAM\)](#), and create an individual profile in [certify.sba.gov](#).

#### 8(a) Firms

If you are a business concern that is currently an existing [8\(a\)](#) firm with an active Mentor-Protégé Agreement (MPA) in the last six months of its program term, you may transfer that relationship to the new All Small Mentor-Protégé Program. To do so, please notify the SBA that you wish to transfer through [certify.sba.gov](#). You will not need to reapply through the new program, and SBA approval is not required to request the transfer. Additional guidelines for transferring existing 8(a) MPAs to the new program are currently under development.

### Eligibility Requirements for the Mentor

Mentors must be able to demonstrate that they can fulfill their obligations under the MPA, and that they are a federal contractor in good standing with the U.S. government. Mentors cannot appear on the federal list of debarred or suspended contractor firms, and must disclose any other MPAs with other federal agencies.

Mentors may be for-profit businesses of any size. However, if a prospective mentor owns, or plans to own equity interest in a Protégé firm, the amount cannot exceed 40 percent.

A mentor generally will have no more than one Protégé at a time. However, the SBA may authorize a mentor to have a second protégé if they can demonstrate that the additional relationship will not adversely affect the development of either Protégé firm (i.e. the second firm may not be a competitor of the first firm).

A Mentor may not have more than three Protégés at one time in the aggregate under the Mentor-Protégé programs authorized by [13 CFR 124.520](#).

### **Mentor-Protégé Agreements**

To participate in the All Small Mentor-Protégé Program, an MPA is required. The MPA must outline the following items:

- The business need (goal), as outlined by the Protégé, in one or more of the eligible categories for assistance.
- The mentor's plan to address that need (goal).
- The timeline for a need (goal) to be met.
- The measure by which SBA will determine the successful accomplishment of the goal.

In general, protégés may only have one mentor at a time. However, the SBA may approve a second mentor if: 1) that relationship does not compete or conflict with the assistance being provided under the first Mentor-Protégé Agreement (MPA); 2) the second relationship pertains to an unrelated NAICs code, or the protégé is seeking specific expertise that the first mentor is unable to provide. For additional information, please see [13 CFR 124.520](#).

Protégés may not have more than two active SBA Mentor-Protégé agreements (MPAs). A Protégé may have two three-year mentor-protégé agreements (MPAs) with different mentors, and each may be extended an additional three years. To do so, the Protégé must have received the agreed upon business development assistance, and continue to receive additional assistance through the extended Mentor-Protégé Agreement (MPA). Please note that this limitation only relates to SBA-specific Mentor-Protégé programs (the 8(a), and All Small programs).

The SBA may authorize a small business to be both a protégé and a mentor at the same time where the firm can demonstrate that the second relationship will not compete or otherwise conflict with the first mentor-protégé relationship.

The SBA may terminate the MPA if it determines that the parties are not in compliance with any term or condition agreed outlined in the MPA.

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<sup>1</sup> SBA - <https://www.sba.gov/contracting/government-contracting-programs/all-small-mentor-protege-program/eligibility-requirements>