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## 8(a) Economic Development Opportunities

by Ryan Luetkemeyer, Senior Manager, and  
Tony Royle, Partner, Tribal Services Group

Creating economic development opportunities that can generate tribal wealth for future generations can be challenging, particularly when resources are scarce. Gaming operations certainly help, but more economic development is often needed to diversify reservation economies.

Since 1958 the Small Business Administration's (SBA) 8(a) Business Development Program has created unique business opportunities for socially and economically disadvantaged groups and individuals to sell goods and services to the federal government under special "set-aside" bidding contracts. The benefits include unique privileges and sole-sourcing opportunities when bidding on government contracts. Over the years, tribes, individual tribal entrepreneurs, and many Alaska Native Corporations have participated in the program and obtained millions of dollars in new revenues.

Although participating in the 8(a) program can help a tribal business generate new sales, success is not guaranteed. Strong management is critical to ensuring a business is able to generate profits, and the rules governing the federal procurement process may be intimidating. Here are a few thoughts that may help you and your tribe start the process.

**Seek advice** from tribes that have successfully operated 8(a) entities, as the lessons they've learned should be instructive. If it's necessary, contact your local SBA office to determine the requirements for obtaining certification as an economically disadvantaged tribe. You can also participate in an SBA mentoring program.

**Find a champion** in your tribe who will patiently and diligently work through the time-consuming process of obtaining 8(a) certification.

**Get legal help** to determine the most appropriate organizational form for the business, and consider a stand-alone, not-for-profit economic development corporation.

**Don't neglect the basics** of planning for the 8(a) business. This includes establishing cash flow projections and making other

## Upcoming Events

The Native American Finance Officers Association's fall conference

SEPTEMBER 10-11  
SAN DIEGO

Join us at NAFOA's 30th anniversary conference, where members of the Moss Adams Tribal Services Group will present on the selected financial topics:

- **The Changing Regulatory Environment**  
copresented by  
Brian Deveau, Partner
- **The Vision for Lean Accounting**  
copresented by  
Ryan Luetkemeyer,  
Senior Manager

» [More upcoming events](#)

### More Information

- » [Update: The NIGC Amends Fee Regulations](#)
- » [The Difference Between GASB and FASB](#)



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forecasts that will help assess whether the business will ultimately be profitable.

**Consider joint ventures** with successful, established private corporations. Such arrangements can reduce the level of effort needed to compete in the marketplace and enhance opportunities to establish profitable, long-term relationships within the federal contracting community.

The 8(a) program is not for every tribe; however, it's worth exploring for tribes with limited resources and those located

in very rural areas where economic development opportunities are limited.

### We Can Help

If you would like help evaluating whether the 8(a) program makes sense for your tribe, please contact us. We'll help you determine whether your tribe has sufficient human resources and internal control in place to satisfy federal contracting requirements. We can also assist you in conducting the due diligence needed to make an informed decision on a new or existing business, and we can introduce you to the SBA mentor program.



## Tribal Services Profile

**BRANDON VALENTINI**  
PARTNER

Brandon has over 15 years of experience providing audit and consulting services to tribal governments, casinos, and other related enterprises. He also develops and delivers training programs for tribal finance staff and council members, and he is a regular speaker at the National Indian Gaming Association's national and regional conferences.