**Section 40.580 Control**

a) Ownership by eligible group members does not equate to control.

b) The individuals claiming ownership and control of the applicant business must actually control the applicant business. Those individuals must be in direct control of the day to day operations and must have, and exercise, the power to make major decisions on management, policy, fiscal and operational matters. At a minimum, the following factors will be considered in determining control:

1) Do the articles of incorporation show the eligible group owners were involved at the time of incorporation and in what way? If the eligible group owners were not involved at the time of incorporation, when did they become involved?

2) Corporate by-laws will be reviewed to determine:

A) The duties of the directors and officers who occupy these positions;

B) The voting rights of the shareholders; and

C) Any restrictive language that may affect the eligible group owner's stock voting rights.

3) Are there any stock options/shareholders agreements that, if exercised, will dilute or eliminate eligible group owner control?

4) Do the eligible group owners make decisions independently?

5) Does a review of resumes show the eligible group owners have sufficient background, including education and training, to run the particular business and for the responsibilities assigned?

6) Do the eligible group owners continue to work for a firm not eligible to be certified SDVOSBs or VOSBs and, if so, what is the relationship of the firm to the applicant business?

7) Who in the firm negotiates contracts and loans, prepares estimates and makes other management and supervisory decisions?

(Recodified from Section 20.580 of 44 Ill. Adm. Code 20 (Central Management Services) pursuant to Section 45-57 of the Illinois Procurement Code [30 ILCS 500/45-57], at 47 Ill. Reg. 12484)