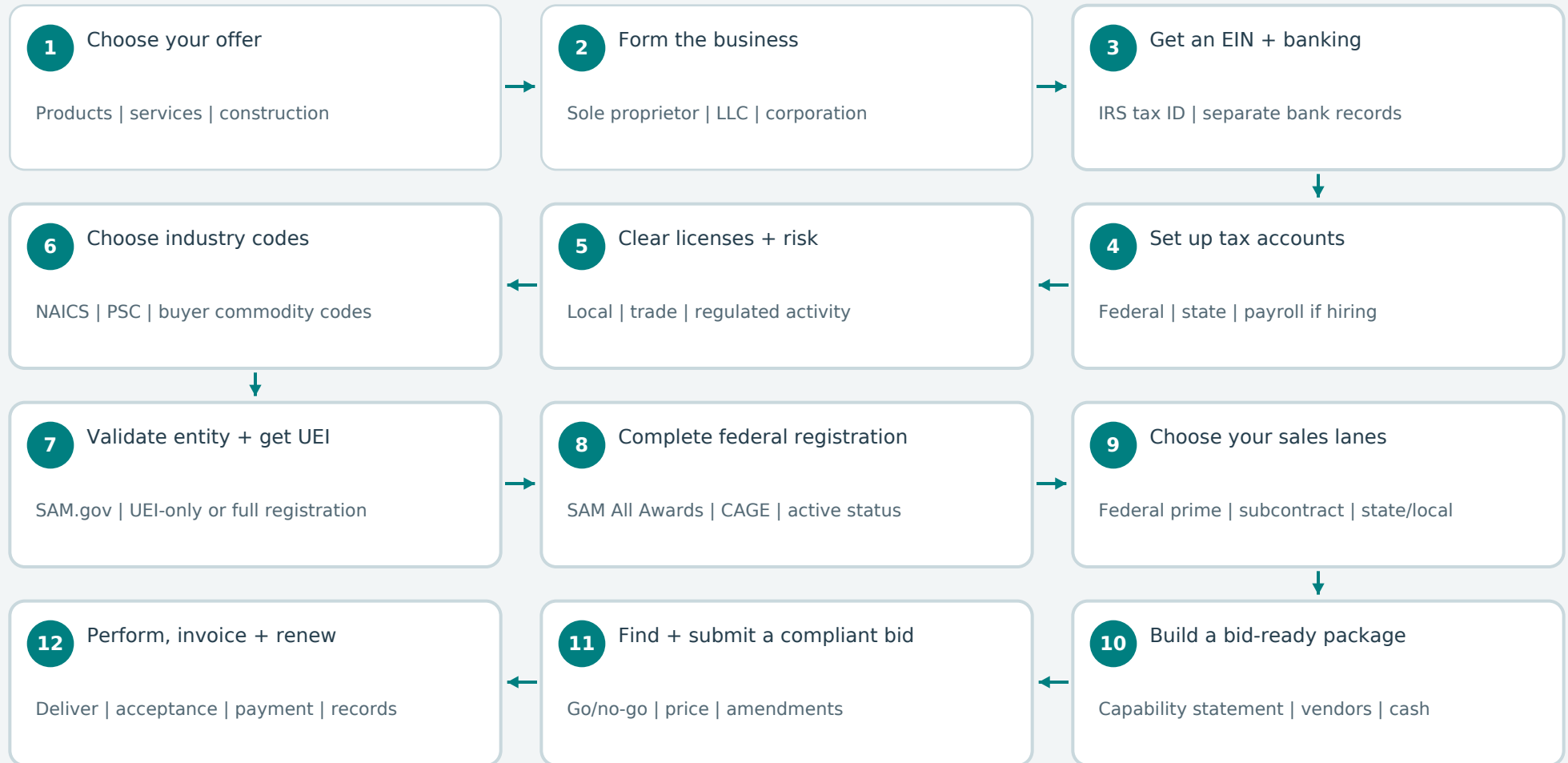


From business idea to government contractor

Follow the arrows. Make the choices in each box; use pages 2-6 for the expanded options and page 7 to track completion.



Two important forks: State/local-only sellers and subcontractors may not need full SAM registration; check the buyer or prime. DUNS is optional for private business uses and no longer the federal award identifier. [1-3, 12]

Planning guide, not an approval or award guarantee. Requirements depend on the work, location, buyer, and solicitation. Core identity steps precede registration; several later tasks can run in parallel.

Choose what you will sell and who will sell it

Start with a narrow offer you can price, finance, and deliver. An LLC is an option; it is not a universal condition of government contracting.

1 Choose your offer

Products / supplier

Choose a product category, reliable distributors, and delivery area. Obtain written pricing, availability, freight terms, warranty terms, and any required reseller authorization.

Services / training / IT

Define deliverables, skills, staffing, and the evidence that you can do the work.

Construction / trades

Identify licensed supervision, permits, bonding capacity, equipment, and jobsite labor needs.

Output: One clear offering and target buyer. [4, 12, 13]

2 Choose a legal structure

Sole proprietor

Simpler structure; owner and business are not separate legal persons.

LLC / corporation

File formation documents with the state; keep governing documents and ownership records. Legal structure and federal tax treatment are separate choices.

Using another business name?

Register a DBA/fictitious name where required. A DBA does not create a separate LLC.

Operating in another state?

Check foreign qualification rules.

Output: Consistent legal name, address, ownership, and formation records. [4, 5]

3 EIN + bank + records

EIN = federal tax ID

For a new LLC or corporation, form the entity first, then apply directly through the IRS. Save the EIN confirmation. The IRS application is free.

Application options

Online if eligible; otherwise use the IRS instructions for Form SS-4 and the applicable fax, mail, or phone route.

Financial setup

Open a separate business bank account, establish bookkeeping, and prepare the correct W-9 for the tax classification.

Output: EIN record, banking details, and a way to track revenue, expenses, and taxes. [6, 7]

Decision gate: Is the identity consistent?

Use the legal entity on formation, IRS, bank, and contracting records. Record a DBA in the appropriate field. If an existing entity already has identifiers, check those records before creating duplicates.

Register only the accounts your activity requires

Formation, tax registration, licensing, and government vendor registration are separate tasks. Complete the applicable branches before operating.

4A Federal tax setup

Every business

Determine income tax filing obligations and whether estimated payments apply. An EIN alone does not satisfy ongoing tax duties.

Hiring employees?

Set up payroll, federal withholding and employment tax reporting; complete required hiring documents.

Special tax treatment?

Review whether a separate election is appropriate and meet its filing deadline. An LLC does not automatically mean S corporation taxation.

Output: A tax calendar and applicable federal filing/payment accounts. [7]

4B State + local tax setup

Your state tax agency

Register for applicable sales/use, withholding, income/franchise, and other business taxes. Address state unemployment registration if hiring.

Selling products?

Determine sales/use tax and resale documentation requirements. Government tax exemptions depend on the purchaser, transaction, and documentation.

Other locations?

Check each relevant state and locality for tax nexus, registration, and local taxes.

Output: Required account numbers and permits, or a documented determination that an account does not apply. [8, 9]

5 Licenses + insurance

Local location

Check city/county business licensing, zoning, home occupation, and occupancy requirements.

Work category

Check trade and professional licenses, contractor registration, job permits, or regulated product/activity approvals. Federal licenses apply to federally regulated activities.

Employees / contract risks

Assess workers' compensation, liability, auto, professional/cyber coverage, and bid/performance/payment bonds as applicable.

Output: Required licenses, permits, and coverage for the work and performance location. [5, 9, 13]

No single license covers every government contract

Check requirements for both the business location and the place of performance. Use the solicitation to identify required insurance, bonds, staffing credentials, inspections, and labor obligations.

NAICS to UEI to SAM to CAGE

For a U.S. business pursuing federal prime contracts: establish identity and tax records, select codes, then complete the federal registration process.

6 Select industry codes

NAICS, not "NACS"

North American Industry Classification System codes describe business activities. Search Census descriptions; list the primary activity and additional activities you can support.

How to obtain them

Select applicable codes; there is no universal paid NAICS license to buy.

Related code systems

PSC describes federal products/services. State/local buyers may use NIGP, UNSPSC, or other commodity codes.

Small-business status

Check the SBA size standard for the solicitation's NAICS, including affiliates. A code alone does not certify eligibility. [10, 11]

7 Validate + obtain UEI

Create an account

Use Login.gov to access SAM.gov. Gather legal name, physical address, formation evidence, and requested validation documents.

Option A: Full registration

For federal prime contracting, pursue the contracting / All Awards registration. UEI is assigned in the process.

Option B: UEI only

May suit some subaward/reporting needs. A UEI by itself is not an active federal prime registration.

DUNS?

Replaced for federal awards on April 4, 2022. Get one only if a private customer, credit purpose, or another program requires it. [1, 3]

8 Finish SAM + CAGE

Complete the record

Provide requested tax, EFT/bank, ownership, code, contact, and representations/certifications information accurately.

U.S. business CAGE

If none exists, a CAGE is normally assigned through SAM processing by DLA. Answer validation requests promptly.

Outside the U.S.?

Follow the NCAGE route before completing SAM, as applicable.

Verify active status

A submitted record or UEI alone is insufficient. Renew SAM every 365 days; maintain it during performance and through final payment. SAM/UEI and government CAGE issuance are free. [1, 2, 14]

Decision gate: Can you bid as a federal prime?

Check the solicitation and applicable exceptions. FAR 52.204-7 generally requires SAM registration when an offer/quote is submitted and at award. Start early enough to resolve IRS, entity-validation, or CAGE mismatches. [14]

Federal prime, subcontractor, or state/local

You can pursue several lanes. Each buyer has its own onboarding, eligibility, bid instructions, and payment process.

9A Federal prime

You contract with the agency
Complete the federal registration route on page 4. Search SAM.gov Contract Opportunities, agency forecasts, and agency small business offices.

Open competition
Bid opportunities you can meet without a special socioeconomic certification.

Small-business set-aside
Meet the applicable size and other eligibility rules.

Program set-asides
Consider WOSB/EDWOSB, HUBZone, 8(a), or veteran programs only if eligible and appropriately certified.

A GSA Schedule is a separate contracting vehicle, not required for all federal sales. [11, 12, 15]

9B Subcontractor / supplier

You contract with a prime
Find primes that buy your product or skill.
Register in their supplier portals and request their onboarding requirements.

Identity requirements vary
A prime may require UEI, CAGE, active SAM, tax forms, insurance, or compliance evidence. Full SAM is not automatically required for every subcontract.

Clarify the agreement
Confirm scope, pricing, delivery, acceptance, payment terms, flow-down clauses, and who handles installation or site access.

Output: An approved supplier profile and a written purchase order or subcontract before starting work. [1, 12, 16]

9C State + local buyers

Separate vendor registrations
Register with the state, city/county, school district, university, or public authority you want to sell to.

Find the right portal
Start at the buyer's official procurement website. Complete its supplier registration and confirm how bids are submitted.

Buyer-specific options
Select commodity categories and bid alerts; check local MBE/WBE, DBE, or other supplier programs where offered.

Do not assume reciprocity
A federal certification, SAM profile, or another city's registration may not satisfy this buyer.

Output: Approved vendor record and bid access for each target buyer. [17]

Certification is a branch, not the starting line

Ownership or identity alone is not approval for a set-aside. Verify the exact program requirements and certification status. You can develop your offer and pursue eligible opportunities while other applications are pending. [15]

Prepare, bid, perform, and get paid

Use these as practical operating gates. The solicitation and signed contract control the specific requirements.

10 Build a bid-ready package

Marketing evidence

Create a concise capability statement with core services/products, relevant experience, contact details, codes, and verified identifiers/certifications.

Execution plan

Document personnel, subcontractors, supplier commitments, shipping, installation, and site-access responsibilities.

Cash-flow choices

Use available cash, negotiated supplier credit, or suitable financing. Compare upfront supplier payment with expected government payment timing.

Go/no-go: Can you fund costs through delivery, acceptance, and payment without relying on an unapproved advance? [12, 13]

11 Find + submit the bid

Screen the opportunity

Confirm deadline/time zone, eligibility, specifications, delivery location, quantities, and required documents.

Price the complete job

Include labor/product costs, freight, installation, insurance, taxes as applicable, overhead, financing, contingency, and profit.

Supplier fork

For resold products, verify manufacturer, country of origin, authorization, substitutions, and any applicable nonmanufacturer rule or waiver.

Submit correctly

Follow the stated portal/email method, acknowledge amendments, and retain submission evidence. [12, 13]

12 Award through payment

Award gate

Confirm the authorized award/order and all terms. Resolve scope changes with the contracting officer or authorized prime contact.

Deliver + document

Track milestones, shipping, inspection, acceptance, and subcontractor performance.

Invoice route

Use the system and routing in the contract. For DoD, this may include PIEE/WAWF after the applicable account/role setup.

Renew + improve

Maintain SAM, taxes, licenses, insurance, and required records. Capture past performance, actual costs, and lessons for the next bid. [13, 14]

If the bid is not a fit, choose another path

Ask timely written questions, seek a compliant teaming arrangement, or pass. New businesses can build relevant experience through suitable commercial work, smaller purchases, local buyers, or subcontracts.

Track your startup file

Mark each item Done, In progress, or Not applicable. Keep tax IDs and banking documents secure; do not publish them in a capability statement.

			Status columns, left to right: Done / In progress / Not applicable		
1-2	Offer + legal entity	Offer description; formation/DBA records; ownership and address evidence	☐	☐	☐
3	IRS + bank	EIN confirmation; correct W-9; bank/EFT details; bookkeeping	☐	☐	☐
4	Taxes	Applicable federal, state, local, payroll and unemployment setup; tax calendar	☐	☐	☐
5	Licenses + protection	Local/trade permits; insurance; bonding plan if required	☐	☐	☐
6	Codes + size	Primary/additional NAICS; buyer commodity codes; size assessment	☐	☐	☐
7-8	Federal lane, if needed	Validated entity; UEI; completed SAM; CAGE/NCAGE; active-status check	☐	☐	☐
9	Other sales lanes	Prime supplier profiles; state/local vendor portals; certifications if applicable	☐	☐	☐
10	Bid readiness	Capability statement; supplier quotes; delivery plan; cash-flow plan	☐	☐	☐
11	Bid file	Solicitation + amendments; eligibility review; cost model; submission receipt	☐	☐	☐
12	Award file	Signed award/order; performance records; acceptance; invoices; renewals	☐	☐	☐

Suggested work order

First: offer, structure, EIN, banking. Next: applicable taxes/licenses and industry codes. Then: SAM/CAGE or buyer onboarding. In parallel: suppliers, marketing, certifications, and funding. Bid only when the specific requirements are met.

Where to complete each step

Official sources checked October 22, 2026. Use these links for current forms, instructions, eligibility, and help; source numbers match the map.

1. SAM.gov - entity registration and UEI
sam.gov/entity-registration

2. DLA - registration, renewal and CAGE creation
www.dla.mil / official guidance (click title)

3. GSA - UEI replaced DUNS on April 4, 2022
www.gsa.gov / official guidance (click title)

4. SBA - launching a business
www.sba.gov/counseling/launch-your-business/

5. SBA - business registration and structure
www.sba.gov/counseling/launch-your-business/

6. IRS - apply for an EIN
www.irs.gov / official guidance (click title)

7. IRS - starting a business and federal tax topics
www.irs.gov / official guidance (click title)

8. IRS - state tax and business agency directory
www.irs.gov / official guidance (click title)

9. SBA - managing taxes, licenses and operations
www.sba.gov/counseling/manage-your-business/

10. Census - NAICS search and definitions
www.census.gov/naics/

11. SBA - contracting eligibility and size
www.sba.gov/counseling/get-started/

12. SBA - finding and winning contracts
www.sba.gov/counseling/how-to-win-contracts/

13. SBA - governing rules and responsibilities
www.sba.gov/counseling/governing-rules-and-responsibilities/

14. FAR 52.204-7 and 52.204-13 - SAM requirements
www.acquisition.gov/far/52.204-7

15. SBA - certification programs
www.sba.gov/Certifications/

16. SBA - prime and subcontracting
www.sba.gov/counseling/prime-and-subcontracting/

17. USAGov - find state and local government agencies
www.usa.gov/state-local-governments

Additional maintenance clause: [acquisition.gov/far/52.204-13](https://www.acquisition.gov/far/52.204-13)

Free federal registration help: [FSD.gov](https://www.fsd.gov) for SAM issues; DLA for CAGE issues. For business-specific planning, ask your local APEX Accelerator or SBA resource partner.