



Personal Net Worth Overview

Each owner comprising 51% ownership of a DBE firm must fall below the established cap:

DBE - \$2,047,000

ACDBE - \$2,047,000

PNW is defined as “the net value of the assets of an individual remaining after total liabilities are deducted” and “includes the individual’s share of assets held jointly or as community property with the individual’s spouse.”

PNW calculations DO NOT include:

1. An individual’s ownership interest in the applicant business
2. An individual’s equity in his or her primary place of residence
3. An individual’s assets in qualified retirement accounts but must report those accounts, the value of assets in them, and any significant terms and restrictions

PNW calculations DO include:

1. Cash on hand and in banks
2. Current market value of stocks and bonds less any tax or interest penalties resulting from immediate withdrawal (see #1 below)
3. Current market value of any rental properties, vacation properties and commercial properties
4. Other personal property such as boats, trailers, jewelry, artwork and collectibles

Because PNW equals assets MINUS liabilities, the following is also considered when calculating an individual’s PNW:

1. Fair market value of all real estate holdings are reduced by any mortgages held on those properties.
2. Fair market value of any automobiles held is reduced by the debt owned on any corresponding auto installment accounts.
3. Only the cash surrender value of life insurance policies is included; face value or the amount a beneficiary would receive upon an applicant’s death is not. Also, cash surrender value is reduced by any loans that have been taken against the policy.



Guidelines for Completing the PNW Statement

Personal Net Worth (PNW) is reported on the Personal Net Worth Statement form. This form is required for each owner upon which disadvantaged status is relied. **Note** that all ASSETS and LIABILITIES, except ownership in the applicant firm, should be reported for the named owner only. If ASSETS and LIABILITIES are jointly held, these items should be listed based on percentage of ownership.

Example:

- John Smith is the applicant. John and Mary Smith jointly own a vacation property valued at \$200,000. They each claim 50% ownership on the property. John would only report his 50% interest (\$100,000).
- John Smith is the applicant. Mary Smith, John's spouse, owns a vacation home valued at \$200,000. Mary owns the property in its entirety. John Smith would not include the vacation home in his PNW calculation.

Supporting Documentation

Supporting documentation **must** be provided for each entry. Including:

- Most recent Bank Statements
- Real estate estimates (i.e. Zillow, Realtor.com, etc.)
- 3 years of personal tax returns, including all schedules
- Investment account statements
- Notes payable
- Mortgages
- Any other documentation to show value or liability of item on PNW worksheets

ASSETS

- **Cash on Hand & in Banks** – Total amount of cash on hand as well as total funds deposited in U.S. and foreign financial institutions. This includes, but is not limited to,

funds accumulated in checking accounts, certificates of deposit, and money market accounts.

- **Savings Accounts** – Total funds in savings accounts deposited in U.S. and foreign financial institutions.

- **IRA or Other Retirement Accounts** – Individual and other retirement accounts include any fund representing an Individual Retirement Account, an employer/employee funded program such as a 401k, or any other retirement plan. This includes the individual and employer contributions made to the plan. Only the present value of any assets held in retirement savings or investment programs should be included, less the tax and interest penalties that would accrue if the asset(s) were distributed at the present time.

- **Life Insurance** – Cash Surrender Value Only – Enter the CASH SURRENDER VALUE of any life insurance policies only. Do not list the total value of the policy under the ASSETS section. More detailed information about the policy will be provided in Section 8.

- **Stocks and Bonds** – The value of personal stocks, bonds, securities, and any other investments. DO NOT INCLUDE THE VALUE OF STOCK IN THE APPLICANT FIRM.

- **Current Fair Market Value of Other Business Interests** – If you have ownership interest in any other business, you must declare the current fair market value of your ownership interest in each of these businesses.

- **Real Estate** – List the current market value of all residential property, business property and land owned by the applicant. This includes, but is not limited to, rental property, condominiums, beach homes, homes in other states or countries, second homes as investments, personal property leased or rented for business purposes, farm properties or any other income producing land or property. List all mortgages against these real properties. Mortgage information is listed under LIABILITIES. Additional details on Real Estate Owned will be collected in Section 4. Be sure to identify all mortgage holders. NOTE THAT THE CURRENT MARKET VALUE OF YOUR PRIMARY RESIDENCE OR ANY MORTGAGE OR OTHER LOAN(S) AGAINST YOUR PRIMARY RESIDENCE WILL NOT BE INCLUDED IN YOUR PNW CALCULATION. THESE FIGURES ARE TO BE PROVIDED FOR INFORMATIONAL PURPOSES ONLY.

- **Automobile–Present Value** – List all personal automobiles, trucks, boats, and recreational vehicles at current market value. Loan balances against these vehicles is reported under LIABILITIES.

- **Other Personal Property** – Current market value of the applicant’s share of ownership in all household goods, computers, electronic equipment, jewelry, antiques and collectibles, etc.
- **Other Assets** – Current market value of the applicant’s share of ownership in any other assets that do not fit in one of the foregoing sections.
- **Total Assets** – Sum total of all assets reported.

LIABILITIES

- **Accounts Payable** – Personal obligations (i.e. credit card debit, store accounts) that are not associated with the applicant firm and are payable by the applicant personally.
- **Notes Payable to Banks and Others** – Current balance(s) of any personal loan(s) not reflected elsewhere in the document and any other personal debt guaranteed by the applicant’s signature. Shareholder loans must be in the form of a written agreement with defined interest and a repayment schedule. **DO NOT INCLUDE BUSINESS RELATED NOTES THAT YOU ARE PERSONALLY RESPONSIBLE FOR IN ANY WAY.**
- **Unpaid Taxes**
- **Other Liabilities** – Applicant’s share of any liability not previously accounted for. **DO NOT LIST ANY CONTINGENT LIABILITIES OR DEFERRED LIABILITIES. DO NOT LIST ANY APPLICANT BUSINESS LIABILITIES.**
- **Total Liabilities** – Sum total of all liabilities reported.
- **Net Worth** – Total ASSETS minus total LIABILITIES.