



## INSTRUCTION LETTER

**INSTRUCTION NUMBER:** WIA 12-07  
**TO:** SC Works Upstate

**SUBJECT:** Business Size Classification

DATE	DATE	DATE
<b>ISSUED:</b> <u>February 6, 2013</u>	<b>EFFECTIVE:</b> <u>December 3, 2012</u>	<b>EXPIRES:</b> <u>Indefinitely</u>

**PURPOSE:** To provide a universal definition of business size classifications, as defined by the South Carolina Department of Employment and Workforce.

**BACKGROUND:** There is not unanimity in how business size is defined. The United States Small Business Administration (SBA) has small business size standards on an industry-by-industry basis, with a size range up to 1,500 for some manufactures. Some organizations define small business on the basis of revenues or other measures.

**POLICY:** The South Carolina Department of Employment and Workforce and the Upstate Workforce Investment Board (Upstate WIB) addresses any business establishment with less than 50 employees a small business. The standard is widely used, including by the South Carolina Department of Commerce and the South Carolina Chamber of Commerce. Businesses with 50-249 employees are considered medium size, and those with 250 or more employees are considered large. This definition is based on establishments that use the same employer identification number issued by the IRS. This definition includes all establishments that share EIN, regardless of the number of states in which the establishments are located or the number of industry sectors in which they operate. An EIN generally identifies a single company although some large, diverse companies may have more than one EIN to identify different operating units. Therefore, a small unit (less than 50 employees) of a large corporation is considered a small business under this definition.

**EXCEPTION:** Any waivers or grant solicitations with a different definition would supersede the state's classification. For example, a WIA waiver for South Carolina for OJT reimbursement is based on employer size classes of 50 or fewer employees, 51-250 employees, and more than 250 employees.

**ACTION:** Please begin following this policy as it relates to business classification size.

**INQUIRIES:** Questions may be directed to Ms. Brenda Connelly at [bconnelly@upstatewib.org](mailto:bconnelly@upstatewib.org) or 864-596-2028 (TTY:711).

  
Ann Angermeier, Director

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**Source:** State Instruction Letter 12-07