

Wisconsin U.S. Small Business Administration

FREQUENTLY ASKED QUESTIONS – www.sba.gov/localresources/district/wi/index.html

Can I meet with SBA staff?

YES, call our Madison office at (608) 441-5263 or our Milwaukee office at (414) 297-3941. Let our staff know that you want to set up an appointment to meet with an SBA employee to discuss.....business financing, loan programs, government contracting, etc. Check out our Marketing Territories www.sba.gov/localresources/district/wi/aboutus/WI_WIMARKET.html showing what counties each employee covers.

We also offer free online training for everyone from starting a business to financing & accounting to government contacting at www.sba.gov/services/training/onlinecourses/index.html.

In addition, we have an Overview of SBA Loan Programs www.sba.gov/idc/groups/public/documents/wi_milwaukee/wi_sbaproducts.pdf.

Does the SBA have business grants?

No. Congress has not set aside any monies for grants to start and/or expand a small business. SBA's grant resources www.sba.gov/services/financialassistance/grants/index.html generally support non-profit organizations, intermediary lending institutions, and state and local governments in an effort to expand and enhance small business technical and financial assistance. For a snap shot of SBA loan programs, visit SBAs financing site www.sba.gov/services/financialassistance/sbaloantopics/snapshot/index.html.

The Department of Commerce offers 2 grant programs; Early Planning Grant (EPG) Program www.commerce.state.wi.us/MT/MT-FAX-0809.html , this is for individual entrepreneurs and small businesses throughout Wisconsin to help obtain the professional services necessary to evaluate the feasibility of a proposed start up or expansion. Under the EPG program, Commerce can provide applicants with a grant to help cover a portion of the cost of hiring a qualified, independent third party to develop a comprehensive business plan.

The other program is called Entrepreneurial Training Grant (ETG) Program www.commerce.state.wi.us/MT/MT-FAX-0808.html. Commerce has collaborated with the Wisconsin Small Business Development Center (SBDC) www.wisconsinsbdc.org/ to develop a pilot program designed to help individual entrepreneurs and small businesses throughout Wisconsin. Under the Entrepreneurial Training Grant (ETG) program, Commerce can provide applicants with a grant to help cover a portion of the cost of attending SBDC's new Entrepreneurial Training Course.

What is a Small Business?

SBA has established a size standard for most industries in the economy. Visit the Size Eligibility www.sba.gov/services/contractingopportunities/sizestandardtopics/index.html area for additional information.

Will my Business Type Qualify for an SBA Loan?

The majority of businesses are eligible for SBA financing, however, there are some business types that have additional considerations and some business types are not eligible at all. Type of Businesses www.sba.gov/services/financialassistance/sbaloantopics/7a/typeofbusiness/index.html.

What are the Credit Factors? - www.sba.gov/services/financialassistance/eligibility/qualify/index.html Every application needs positive credit merits to be approved. These are the same credit factors a lender will review and analyze before deciding whether to internally approve your loan application, seek a guaranty from SBA to support their loan to you, or decline your application all together.

In Wisconsin, you can obtain a free credit file disclosure at www.annualcreditreport.com. This will not include your credit score but you may purchase it along with your free credit file through the website.

Putting the loan proposal together –

www.sba.gov/smallbusinessplanner/start/financestartup/SERV_LOANPROPOSAL.html. Once you have written your business plan, www.sba.gov/smallbusinessplanner/plan/writeabusinessplan/index.html you are now ready to interview the lender of your choice for financing. SBA works with virtually every lender and most credit unions in the State. Bring along your personal financial statements; your business financial statements (if already a business); assumptions used in your projected earnings statements; management resumes of those involved in operating the business; and pro-forma balance sheets. The lender has the necessary SBA paperwork and will submit the application to us for consideration.

How do I apply for a SBA Loan Guarantee?

Whether you are applying for a MicroLoan, SBA guaranteed loan or a traditional bank loan, similar information is required to complete a loan package. You contact a local lender and tell them you want to apply for an SBA guaranteed loan. Be prepared to discuss your proposal in detail. Go to SBA's Loan Package Checklist <http://app1.sba.gov/survey/checklist/index.cgi> for detailed items that you will need to bring to lender.

Questions your banker may ask you:

www.sba.gov/services/financialassistance/eligibility/borrowmoney/serv_bankerquestions.html

SBA has provided applications to all lenders that actively participate with us. Many forms are also available online at www.sba.gov/tools/Forms/smallbusinessforms/index.html. The lender will then forward your loan application and a credit analysis to SBA.

How does the SBA guarantee loan program work?

SBA acts like an underwriter to provide a guarantee to the bank. Since this is a bank loan, applications must be submitted to the bank and monthly loan payments are paid to the bank. The bank is also responsible for closing the loan and disbursing the loan proceeds. SBA's involvement is limited to reviewing the loan application submitted by the bank to assure they meet eligibility and credit standards. SBA provides the bank with a written Authorization outlining the conditions of the SBA guarantee.

To increase your chance for success, take the time up front to explore and evaluate your business and personal goals. Then use this information to build a comprehensive and well-thought-out business plan that will help you reach these goals. The process of developing a business plan will help you think through some important issues that you may not have considered yet. Your plan will become a valuable tool as you set out to raise money for your business. It should also provide milestones to gauge your success.

If you would like assistance preparing your business plan or other assistance with starting or expanding a business, please contact one of our Wisconsin SCORE www.sba.gov/localresources/district/wi/counselingt/WI_WISSCORE.html offices or one of the Wisconsin SBDC offices www.sba.gov/localresources/district/wi/WI_WISBDC.html.

(SCORE) Counselors to America's Small Business, is a volunteer program sponsored by SBA that offers expert advice based on their many years of firsthand experiences and shared knowledge, on virtually every aspect of business. SBA in partnership with state and local government, the educational community and the private sector also sponsor the Small Business Development Centers (SBDC). SBDC offers counseling and training to prospective and existing small business owners.

What type of collateral do I need for a loan?

You must pledge sufficient assets, to the extent that they are reasonably available, to adequately secure the loan. Repayment ability from the cash flow of the business is a primary consideration in the SBA loan decision process but good character; management capability, collateral and owner's equity contributions are also important considerations. All principal owners of the business are required to personally guarantee the SBA loan. SBA will generally not decline a loan where inadequacy of collateral is the only unfavorable factor.

How long do I have to repay a SBA loan?

The repayment term is generally between five and twenty-five years depending on the life of the assets being financed and the cash needs of the business. Working capital loans (inventory and accounts receivable) should be repaid in five to ten years. The maximum loan maturity for real estate is 25 years and 10 years for equipment. The SBA also has short-term loan guarantee programs.

Need help starting a Home-Based Business or for your current home business?

We have put together the top sites for home-based businesses www.sba.gov/hotlist/home.html.

Veterans - Are there any loan programs for Veterans?

Even though SBA has not been given money for direct funding, Veterans are eligible for special consideration under SBA's guaranty loan programs. In Wisconsin, contact Joe Rosner joseph.rosner@sba.gov, Veterans Service Officer/Business Development Specialist at (414) 297-1178 and visit SBA's Veterans Web Site www.sba.gov/aboutsba/sbaprograms/ovbd/index.html.

New for veterans and members of the military community wanting to establish or expand small businesses is SBA's Patriot Express loan program <http://www.sba.gov/patriotexpress/index.html>.

Veteran and Service Disabled Veterans' Procurement Programs.

www.sba.gov/aboutsba/sbaprograms/gc/index.html. Veterans' Small Business Resources www.sba.gov/aboutsba/sbaprograms/reservists/index.html.

Where can I learn about how to sell my product or service to the federal government?

Contact one of SBA Wisconsin Government Contracting staff: Linda Krysiak, Business Development Specialist at (414) 297-1455; Cheryl Jordan, Business Development Specialist at (414) 297-3951 or Cartina Austin, Program Support Assistant at (414) 297-1489. Also, visit the Wisconsin 8(a) Business Development area www.sba.gov/localresources/district/wi/WI_BUSINESSDEV.html to see Wisconsin 8a Certified Firms; SBA requirements; information on Certification; Mentor-Protégé Program and Joint Ventures.

The U.S. Government is the world's largest buyer of goods and services. Purchases by military and civilian installations amount to about \$170 billion a year, ranging from complex space vehicles to paper clips, janitorial services to cancer research. In short, the government buys just about every category of commodity and service available. Visit SBA's Government Contracting Business Development site www.sba.gov/aboutsba/sbaprograms/gcbd/index.html for more information.

For details on State government purchasing, contact the Department of Administration-Minority Business Program at (608) 267-7806. In addition, you may contact the Wisconsin Procurement Institute at (414) 443-9744 or the MATC Business Procurement Assistance Center <http://matcmadison.edu/bpac/> at 608-243-4490.

How can I get my business considered as a Small Disadvantage Business?

There is a certification process to be considered a Small Disadvantaged Business (SDB). The SDB certification ensures that small businesses are owned and controlled by socially and economically disadvantaged individuals meeting SDB eligibility criteria. If you are considered a SDB, you may receive a price evaluation credit of up to 10% when you bid on a federal contract. For additional information on this program, visit SBA's Small Disadvantage Business www.sba.gov/aboutsba/sbaprograms/sdb/index.html site.

The HubZone Empowerment Contracting Program encourages economic development in historically underutilized business zones, through the establishment of federal contract award preferences for small businesses located in such areas. To learn more, visit our HubZone site www.sba.gov/hubzone/.

SBA offers electronic training courses for three core procurement certification programs: Small Disadvantaged Businesses, 8(a) Business Development, and HUBZone Empowerment Contracting Program.

Certification Programs www.sba.gov/services/training/onlinecourses/training_atc_sbtc.html

What about buying insurance for my businesses, what type do I need?

This guide is published by the State of Wisconsin Office of the Commissioner of Insurance. Provides information on business owner's package policy, auto insurance, worker's compensation insurance, and health insurance. Consumer's Guide to Insurance for Small Business Owners http://oci.wi.gov/pub_list/pi-085.pdf.

Where do I Apply for a Seller's Permit?

Permits are required for individuals, partnerships, corporations, or other organizations to make retail sales or rentals of tangible personal property or retail sales of taxable services in Wisconsin from a Wisconsin location, unless the seller is exempted from taxation. Visit the State of Wisconsin's Sales and Use Tax Permits www.dor.state.wi.us/faqs/pcs/seller.html web site.

Additional Wisconsin Business Forms www.wisconsin.gov/state/core/business_forms.html

How do I get an "Employer ID Number" (EIN) also known as a federal tax identification number?

This is handled by the Internal Revenue Service www.irs.gov/businesses/small/index.html. Generally, businesses need an EIN.

How can I get a Surety Bond?

The U.S. Small Business Administration (SBA) can guarantee bonds for contracts up to \$2 million, covering bid, performance and payment bonds for small and emerging contractors who cannot obtain surety bonds through regular commercial channels. SBA's guarantee gives sureties an incentive to provide bonding for eligible contractors, and thereby strengthens a contractor's ability to obtain bonding and greater access to contracting opportunities. A surety guarantee, an agreement between a surety and the SBA, provides that SBA will assume a predetermined percentage of loss in the event the contractor should breach the terms of the contract. **Wisconsin Surety Agents**
www.sba.gov/localresources/district/wi/financing/WI_WISURETY.html.

Entrepreneur Programs

www.sba.gov/services/specialaudiences/index.html for Minorities, Native Americans, Veterans, Women, Young Entrepreneurs, International Trade

Franchise Opportunities

Buying a franchise? www.sba.gov/smallbusinessplanner/start/buyfranchise/index.html.

Naming Your Business

Do you name your business as a general partnership or sole proprietor, what about incorporated or doing business as. Regardless of the decision you make, you need to fill out the appropriate Wisconsin paper work. Visit Wisconsin's Build Your Business www.wisconsin.gov/state/byb/name.html site to see what you need to do.

Business Wizard

The State of Wisconsin offers the Business Wizard www.wisconsin.gov/state/app/wizard/LoadIntro. This area provides customized information to help you start and operate a Wisconsin-based business. It will help you determine licensing, permitting and regulatory requirements; obtain necessary application forms and access other valuable business-related information.

Where are the Wisconsin Register of Deed Offices?

Wisconsin Register of Deed - www.wrdaonline.org/. Gives you a listing of Wisconsin Register of Deeds offices, forms, recording documents, vital records, resources and more.

Additional Information

The SBA Answer Desk - www.sba.gov/contactus/index.html has a national toll-free number providing information to the public on small business problems, concerns and general information. Business Information Assistants are available to speak directly with you between the hours of 9:00am and 5:00pm (East Coast Time). Call 800-827-5722. Outside of these hours, you may hear a recording of the information 24 hours, seven days a week. You may also e-mail questions about SBA programs to the SBA Answer Desk Email - answerdesk@sba.gov.

Centro de Informacion - <http://www.sba.gov/espanol/centrodeinformacion.html>

Sus preguntas y comentarios son importantes para nosotros. El Centro de Información es el único servicio gratuito de información telefónica que provee información al público sobre temas relacionados con los pequeños negocios; además de proporcionar información general sobre los programas de la SBA y otros programas disponibles para asistir a la comunidad propietaria de pequeños negocios.

Debido a la gran cantidad de comentarios y preguntas que recibimos a diario, pudiéramos no contestar de inmediato las llamadas o mensajes. Una respuesta a su correo electrónico answerdesk@sba.gov pudiera tomar hasta cinco días hábiles (de lunes a viernes, exceptuando los días feriados). Asistencia personalizada sobre negocios está disponible entre las 9:00 a.m. y las 5:00 p.m. (hora de la Costa Este) llamando al Centro de Información al 1-800-827-5722.

Teen Business Website www.sba.gov/teens/ for young entrepreneurs.