

Newsline

A Monthly Newsletter from the San Diego District Office

U.S. Small Business Administration



Your Small Business Resource

Volume 4 Issue 1

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Training Calendar

A list of events from SBA and our resource partners may be found at www.sba.gov/ca/sandiego under Training Calendar.

[Oct. 23 – Successful Strategies for Exporting](#) presented by the SBDITC in National City, CA.

[Oct. 30 - 16 Successful Business Tactics](#) presented by SCORE in San Diego, CA.

[Nov. 2 – Biz Orientation](#) presented by the NCSBDC in Oceanside, CA.

[Nov. 15 - Achieving Retail Success](#) presented by the IVSBDC in El Centro, CA.

Inside this Issue:

Events Around San Diego in Pics	2
Ask SCORE Column	3
Announcements	3
San Diego District Office Activity Report	4

Russian Delegation Visits San Diego District Office



SBA District Director Ruben Garcia and LRS Maria Hughes host meeting with Russian Business Delegation at the San Diego District Office.

District Director Ruben Garcia and LRS Maria Hughes of the SDDO hosted a meeting with a Russian business delegation. The delegates were taking part in the congressionally sponsored Open World Program, which brings young political and civic leaders from Russia, Ukraine, Azerbaijan, and other post-Soviet states to the United States for short-term professional trips. The delegation's visit to San Diego was focused on economic development and the role of the small business in the US economy.

Our Open World guests were: Mr. Aleksey Viktorovich Aleksandrov, Director, "FinPromInvest" LLC, Investment Company; Mr. Gerey Omarovich Gadzhimagomedov, Director, "Enthusiast-Bank" Investment Bank LLC, Kizlar Branch; Ms. Tatyana Yevgenyevna Prokopenko, Eco-

nomics Planning Administration Director, Russian Federation Savings Bank, South-Western Bank, JSC; Ms. Veronika Vasilyevna Yefremova, Associate Professor Economics, Tyumen State Oil And Gas University, Theory of Economics Department; Ms. Valentina Anatolyevna Shashkina, Tissot Sales Operations Assistant, Swatch Group (RUS); Ms. Roman Anatolyevich Alekseyev, Board Chairperson, "Ural Capital" Commercial Bank LLC; Mr. Artur Khautiyevich Bahzev, Manager, "Rosselkhozbank" OJSC Kabardino-Balkarsky Regional Branch in Anzorei Village; Mr. Feliks Andreyevich Kononenko, Director of Yaroslavl Branch, LLC Investment Commercial Bank "Sovkombank"; Mr. Radislav Fanisovich Rakhimov, Director, Legal Department, Specialist in Anti-Money Laundering of Proceeds from Crime and

Terrorist Financing, Member of the Board of Directors, "Izhladabank" Investment; Ms. Anna Valentinova Avinskaya, Assistant to the General Director, "Svetogorsk" JSC .

The group had similar concerns, as we do, about "small business" in the United States; inquiring of financing available, the length of time for repayment, what credentials (experience or education) does a small business have to have, and, "Does the SBA monitor or oversee the small businesses' operations?" They asked how a business was determined to be a "small business" and what types of businesses did we have the most of. There were questions about the expense of the real estate in southern California and the difficulty in a business receiving a loan as well as what (if any) grants were available.

Events Around San Diego



Victor and Patricia Castillo at 17th South Economic Development Summit receiving the Outstanding Corporate Citizen Award for Southwestern College SBDITC.



Ruben Garcia, SBA District Director, San Diego Lead BDS Juliane Talley, LRS Maria Hughes, and Eddie Price, President, Urban Economic League of San Diego



Ruben Garcia, SBA District Director, San Diego and conference attendee.



Ruben Garcia, SBA District Director, San Diego and Abdur-Rahim Hameed, CEO, Black Contractors Inc.



Maria Hughes, SBA Lender Relations Specialist, San Diego and Taiwan Delegations Representative for Dr. Wu-Lien Wei, Director General



Congratulations Bonnie Valentine, Business Development Specialist on your desk audit promotion to a GS-12.

Ask SCORE for Business Advice

Source: www.score.org website. Article Copyright 2006 AllBusiness, Inc.

Q: Can you explain the difference between cash and accrual accounting and tell me what difference it makes to the bottom line?

SCORE SAYS:

For accounting purposes, the best method regardless of the type of business (except possibly a doctor) is the accrual-based method. Cash-based accounting can distort the true operations of your business and incorrectly reflect income.

Cash-based accounting recognizes income when money

is received. Accrual-based accounting recognizes income when goods are shipped or services are rendered. Under the cash method, an expense is recognized when it's paid. Under the accrual

method, an expense is recognized when the business is obligated to pay it.

So, for example, if in a given period you collect little or no receivables and you pay lots of bills,

under the cash-accounting method you have expense without income; you've lost money. On the other hand, if you collect a lot of money and don't pay your bills, you have big income.

That's a major distortion of what actually occurred. Accrual-based accounting doesn't care whether you've collected or paid your bills. Income (received or not) is matched to an expense (paid or not), resulting in a proper match

of revenue with the expense generated to produce the revenue. This provides a truer picture of operations.

It's possible to use one method for tax purposes and the other for accounting purposes. But as usual with tax issues, nothing is that simple. Consult with a professional tax advisor for the best tax method for you. But for accounting purposes, always use the accrual-based method.

Ask SCORE your question. Email sd.score@sba.gov or visit www.score-sandiego.org for additional information.



Announcements

SBA NOW SEEKING NOMINATIONS

for

2008 SMALL BUSINESS WEEK SMALL BUSINESS AWARDS

**Deadline Date
NOVEMBER 23, 2007**

Each year during National Small Business Week, the U. S. Small Business Administration (SBA) recognizes outstanding small business owners for their contribution to the American economy and society. SBA is currently accepting nominations for several SBA award categories including the 2008 Small Business of the Year Award. The San Diego SBA Office services the San Diego and Imperial counties. Trade associations, chambers of commerce and business organizations frequently sponsor candidates. A business owner may also nominate themselves or other candidates.

Nomination criteria and deadline dates for all award categories can be found by visiting the SBA website at

<http://www.sba.gov/ca/sandiego>

"Spotlight" section or by contacting Cynthia Harris of the San Diego SBA Office at (619) 727-4884.

This is an opportunity to recognize an individual or an organization dedicated to the support of the small business community. Please send all nominations to the U. S. Small Business Administration, 550 West C Street, Suite 550, San Diego, California, 92101, Attn: Cynthia Harris.

Note: There is a form mentioned in the nomination guidelines that is not yet available (SBA Form 3300, Award Nomination Form). Watch for it on the website: <http://www.sba.gov/nominations/guidelines/index.html>.

IRS Offers Relief for Late S Corporation Elections

Businesses that are eligible to elect S corporation tax treatment now have a simpler process for requesting relief for late elections, thanks to an IRS Taxpayer Burden Reduction initiative.

Revenue Procedure 2007-62, announced in [IRS news release IR-2007-166](#), outlines the new provision that permits small

businesses that missed filing [Form 2553, Election by a Small Business Corporation](#), before filing their first [Form 1120S, U.S. Income Tax Return for an S Corporation](#), to file both forms simultaneously. The change is effective for taxable years that end on or after Dec. 31, 2007.

The requirement for filing Form 2553 to establish the election in advance of filing the initial Form 1120S remains in effect. However, the new process will save time and effort for those taxpayers who can establish reasonable cause for making a late election.

Form 2553 will be updated to reflect Rev. Proc. 2007-62, so taxpayers filing paper Forms 2553 should download the most recent revision from IRS.gov. Form 2553 can also be submitted electronically as an attachment to an e-filed Form 1120S.

To learn about IRS announcements and other IRS products and services, subscribe to IRS's e-News for Small Businesses. To see a representative sample and to start your free subscription to e-News, just go to IRS.gov at <http://www.irs.gov/businesses/small/>

www.score-sandiego.org for additional information.

FY 2007

SDDO Goal Scorecard Stats

Total # Loans 1,675

Total \$ Loans \$363m

Veterans Loans 152

Underserved Mkts 575

Field Office T/A 6,010

8 (a) Annual Reviews 90

Contracting Results \$ 115m

U.S. Small Business Administration



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The U. S. Small Business Administration was created in 1953 to maintain and strengthen the nation's economy by aiding, counseling, assisting, and protecting the interests of small businesses and by helping families and businesses recover from national disasters.

SBA's San Diego District Office is your small business resource for access to capital, counseling services, training, and government contracting opportunities, to help start or grow a small business in San Diego and Imperial counties. Our programs and services are delivered through participating lenders and our resource partners, SCORE: Counselors to America's Small Businesses and Small Business Development Centers.

Newsline is produced by the U. S. Small Business Administration's San Diego District Office. Subscribe to Newsline by registering online at web.sba.gov/list. Look for San Diego News.

Send questions or comments to the Newsline Editor, Cynthia Harris, Business Development Specialist, at Cynthia.Harris@sba.gov.

San Diego District Office Fiscal Year 2007 Activity

October 1, 2006 through September 30, 2007

	Number of Loans	Dollar Amount
7(a) Loans	1,420	\$200,452,000
504 Loans	255	\$162,830,000
Total	1,675	\$363,282,000

CDC Small Business Finance Corporation	162	\$109,229,000
U.S. Bank, NA	148	\$13,049,500
Wells Fargo Bank, NA	143	\$17,311,100
Bank of America, NA	139	\$3,855,200
Union Bank of California, NA	103	\$4,278,300
Washington Mutual Bank	100	\$3,033,300
Business Loan Center, LLC	88	\$5,340,100
Capital One, FSB	79	\$4,090,000
EDF Resource Capital, Inc.	72	\$43,473,000
Citibank, N.A.	64	\$3,228,000