

SMALL BUSINESS RESOURCE



Helping Small Business Start, Grow and Succeed

PAGE 8 [Getting Started in Michigan](#)

PAGE 30 [Financing Your Business](#)

PAGE 40 [Ideas For Growing Companies](#)

SMALL BUSINESS contents

2009 MICHIGAN

FEATURES

- 4** **Introduction**
• 4 Welcome Letter
• 6 Director's Message
- 8** **Getting Started**
Everything you need to know about setting up, marketing and managing the revenue of your business including locations for SCORE, SBTDC and WBC.
- 19** **Regulations**
Common requirements that affect small businesses.
- 30** **Getting Approved**
Financing Options to Start or Grow Your Business.
- 40** **Small Business Training Network**
Find out how and where the SBA can help your business grow.
- 41** **Contracting Opportunities**
SBA is working to ensure small businesses obtain fair share of government contracts and subcontracts with a number of programs.
- 47** **Disaster Recovery**
There are several types of assistance available to qualified applicants.
- 48** **Advocacy**
Find out about the outside research for the small business owners.
- 49** **Other Sources of Assistance**
Chambers of Commerce can be a vital resource for the small business owner.
- 51** **Lender Listing**



5 Ways To Evaluate Your Strengths and Weaknesses

Page 9



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U.S. Small Business Administration

SBA SMALL BUSINESS GREEN INITIATIVE



www.sba.gov/energy

SBA loan guaranty programs help small businesses finance energy efficiency improvements. Check out federal tax savings for energy improvements for the 2008 tax year.

All SBA programs and services are provided on a nondiscriminatory basis.



WELCOME

America is a country of entrepreneurs. It was built by entrepreneurs, and over the years, our economy has grown on the strength of our entrepreneurs. America has an economy that regenerates, is flexible, and adapts to opportunity. And this is due in large part to the entrepreneurial spirit and drive of small business owners like you.

The U.S. Small Business Administration plays a vital role in enabling America's entrepreneurs and small business owners. Some of America's corporate icons, in fact, received some help from SBA along the way – companies like Intel, Apple, Staples, FedEx, Nike, and Under Armour, to name a few.

Through our wide array of services – loan guaranties, assistance for small businesses in federal contracting, and business counseling – the SBA has helped millions of entrepreneurs start and grow their small businesses. The agency continues to expand our support for small businesses. We currently guarantee more than \$75 billion in loans and investments; our resource partners' network of more than 1,500 centers provide counseling to more than 1 million entrepreneurs every year; and we helped small businesses secure close to \$80 billion in prime federal contracts.

This resource guide is your roadmap to all of our valuable products and services. We hope that you'll read it closely; the SBA team has worked hard to ensure the information here is useful and up to date. In addition, we encourage you to visit your local SBA District Office, which is a great portal to SBA assistance and can help you start and grow your business.

"Our Nation's strength lies in the freedom to pursue dreams and turn ideas into enterprises," President Bush stated recently. "By taking risks and starting new ventures, America's entrepreneurs are creating jobs, growing our economy, and helping secure our country's place as a leader in the global economy."

Entrepreneurs and small business owners will continue to drive our economy, and the SBA and our network of resource partners will continue to enable their success. In the pages of this resource guide, you'll be able to find important information about all of the products and services that the SBA offers to help you.

Running your own business is challenging: the hours are long and the demands are high. But it is also rewarding. As you work to realize your small business dreams, we hope that you'll keep in mind all that SBA can offer, and let us help you succeed.

About the SBA

www.sba.gov

Your Small Business Resource

Every day, the U.S. Small Business Administration and its nationwide network of partners help millions of potential and current small business owners start, grow and succeed.

Resources and programs targeting small businesses provide an advantage necessary to help small businesses effectively compete in the marketplace and strengthen the overall U.S. economy.

SBA offers help in the following areas:

- Starting a Business
- Financing a Business

- Growing a Business
- Opportunities in Contracting
- Recovering From Disaster
- A Voice for Small Business in Government

Visit SBA online at www.sba.gov for 24/7 access to small business news, information and training for entrepreneurs.

All SBA programs and services are provided on a nondiscriminatory basis.

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Message From The District Director

Small Business Vital to Michigan's Future

Leads the way to Michigan's new economy

Small businesses are becoming increasingly vital contributors to the economy of Michigan as the state accelerates its move to a "new" economy that is less dependent on durable goods manufacturing. They already represent 98.4 percent of the state's employer businesses and employ over two million people, or 51.5 percent of the non-farm private sector workforce.

Small businesses with less than 20 employees in 2003 had a net increase of 49,972 in their employment during the following year. On the other hand, businesses with 20 or more employees had a net decrease of 40,704 employees. From 1991 to 2004, businesses with less than five employees have been the only group that has added new jobs each and every year to Michigan's economy. (These are the latest figures available; the source is SBA's Office of Advocacy.)

Owning your own business can be a personally and financially rewarding experience, but it is also a challenge. The Small Business Administration is here to help you meet that challenge and take advantage of your opportunities. This Resource Guide details the many programs that you can tap as your business starts, grows, and prospers. Whether you need assistance with financing, writing a business plan, market analysis, exporting your products, or obtaining government contracts, this guide can steer you in the right direction. Many entrepreneurs have prospered by using a mix of SBA's programs to best fit their needs.

Every year, SBA helps thousands of small business owners throughout Michigan. In fiscal year 2008, we guaranteed 2,180 loans worth nearly \$421 million to small businesses located in 386 Michigan cities within 77 counties. In addition, over 25,000 people benefited from the counseling, training, and specialized services provided by our resource

partners. Finally, over 2,000 small businesses received assistance in federal government contract and export opportunities.

I encourage you to take full advantage of the wide array of services that SBA offers. This Resource Guide and SBA's comprehensive Web site (www.sba.gov) are great tools to find the assistance you need to help your business. Keep it handy and share its information with other entrepreneurs. I wish you great success in your endeavors.

Sincerely,

Richard Temkin

*District Director of
SBA's Michigan District Office*

We Welcome Your Questions

For extra copies of this publication or questions please contact:

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Detroit, MI 48226

Tel.: 313-226-6075 Fax: 313-226-4769

Website: www.sba.gov/mi



■ The SBA helps business owners grow and expand their businesses every day.



SUCCESS STORY

SBA Helps Entrepreneur Serve Up The Right Ingredients

Pizzeria Uno Chicago Grill



What do you get when you mix delicious Chicago Deep Dish Pizza, an ambitious female Entrepreneur, and an SBA 504 loan from the Michigan Certified Development Corporation? A satisfying taste of business financing in Michigan!

When Ike Sewell first opened a restaurant in 1943 at the corner of Ohio Street and Wabash Avenue in Chicago, pizza was considered a snack to most Americans. Ike wanted to change that by giving customers a hearty meal with the finest meats, fresh cheeses, ripe vegetables and flavorful spices. The Chicago Deep Dish Pizza and Ike's Original Deep Dish Pizza have become an American tradition ever since and one Michigan residents now enjoy in Gaines Township, a suburb of Grand Rapids. Pizzeria Uno Chicago Grill has been named one of the top 20 companies to watch by Franchise Times and was selected as best franchise in its category by Entrepreneur Magazine in 2004.

In 2003, Moredeaux Development LTD, owned and operated by Mary Jo Pulte, purchased the right to franchise Uno Restaurants in southwest Michigan. Pulte strives to live up to the name "Uno is Number One" by providing delicious food to southwest Michigan residents. Her franchise is a vehicle for providing guests with a satisfying environment and dining experience. "Pizzeria Uno provided the perfect venture and opportunity for me to start my own franchise here in Michigan," said Pulte. "I've always wanted to own my own business to grow with and contribute to the southwest Michigan economic market."

The Michigan Certified Development Corporation and CIT Small Business Lending worked together to help fund the Pizzeria Uno Chicago Grill project, which totaled more than \$3.4 million. MCDC financed just over \$1.2 million of the total project in December of 2005, helping create 40 jobs for the state. With the financing, Pulte was able to open the 231 seat casual dining restaurant.

Like Pizzeria Uno Chicago Grill, MCDC is Number #1 for SBA 504 loan financing, striving to provide its clients with a great experience every time. Mary Jo Pulte was so satisfied with MCDC that she is now working with them on her second Pizzeria Uno franchise. With MCDC and Pulte's real estate development and hospitality experience, Michigan is sure to enjoy another slice of success!

Doing Business in Michigan

THE MICHIGAN DISTRICT OFFICE

SBA is the entry point to help you, the small business owner, to start, grow, and prosper. We offer customized counseling, specialized financing, and contract opportunities. Through our unique resource network, we provide the tools to help you along the path to your success as a small business owner. We are your Small Business Resource.

In fiscal 2008, we guaranteed 2,180 loans worth almost \$421 million for Michigan's small businesses. SBA's loan programs are explained in this resource guide under "Financing Options to Start and Grow Your Business."

Last year our outstanding resource partners, the Michigan Small Business & Technology Development Centers, SCORE – Counselors to America's Small Business, and the Women Business Centers, helped over 25,000 people start or grow their business. Their locations are listed in the "Getting Started" section of this resource guide. SBA also helped over 2,000 people access the government contracting market. Look for these programs in the "Contracting Opportunities" section.

Our office also works with numerous community partners to bring SBA's programs to as many people as possible. Most notably, we cosponsor Michigan Celebrates Small Business, the state's premier awards ceremony for

entrepreneurs and small business leaders, held annually in Lansing. SBA presents its annual small business awards, including the coveted Michigan Small Business Person of the Year award, at this event.

For more information about SBA's programs, please look at the box below.

A Veteran's Affairs Officer is available to assist veterans.

Assistance to business owned and controlled by socially and economically disadvantaged individuals is available through the Business Development Program.

A Women's Business Ownership representative is available to assist women entrepreneurs.

Special loan programs are available for businesses involved in international trade.

For more information on our services and loan programs, please contact the Michigan District Office at 313-226-6075 or visit our Web site at www.sba.gov/mi.

For the latest information on training events in Michigan, visit our Internet Calendar of Events at: www.sba.gov/localresources/district/mi/MI_EVENTS.html

INTRODUCTION

GETTING STARTED

The SBA Can Help You Start And Expand Your Own Business



Every day the U.S. Small Business Administration and its nationwide network of resource partners help millions of potential and current small business owners start, grow and succeed.

Whether your target market is global or just your neighborhood, the U.S. Small Business Administration and its partners can help at every stage of turning your entrepreneurial dream into a thriving business.

If you're just starting, the SBA and its resources can help you with loans and business management skills. If you're already in business, you can use the SBA's resources to help manage and expand your business, obtain government contracts, recover from disaster, and have your voice heard in the federal government.

You can access SBA help online 24 hours a day at www.sba.gov or visit one of our local offices for assistance.

Resources To Get You Started

Our resources include the SBA's district offices serving every state and territory, nearly 400 offices of SCORE – Counselors to America's Small Businesses, more than 1,000 Small Business Development Centers primarily located on college campuses, and approximately 114 Women's Business Centers located across the country. More information about SCORE, SBDCs and the WBCs is detailed later in this publication, or you can click on www.score.org,

<http://www.sba.gov/aboutsba/sbaprograms/bdc/index.html> for SBDCs or www.sba.gov/services/ and choose "Women's Business Centers from the "Counseling & Assistance" heading at the bottom.

These professionals can also help you with writing a formal business plan, locating sources of financial assistance, managing and expanding your business, finding opportunities to sell your goods or services to the government, recovering from disaster or acting as advocates for small businesses with Congress and regulatory agencies.

The SBA has programs for helping special audiences, such as women and veterans, become small business owners.

Most new business owners who succeed have planned for every phase of their success. Thomas Edison, the great American inventor, once said, "Genius is 1 percent inspiration and 99 percent perspiration." That same philosophy also applies to starting a business.

First, you'll need to generate a little bit of perspiration deciding whether you're the right type of person to start your own business.

IS ENTREPRENEURSHIP FOR YOU?

In business, there are no guarantees. There is simply no way to eliminate all the risks associated with starting a small business - but you can improve your chances of success with good planning, preparation, and insight. Start by evaluating your strengths and weaknesses as a potential owner and manager of a small business. Carefully consider each of the following questions:

- Are you a self-starter? It will be entirely up to you to develop projects, organize your time, and follow through on details.
- How well do you get along with different personalities? Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, and professionals such as lawyers, accountants, or consultants. Can you deal with a demanding client, an unreliable vendor, or a cranky receptionist if your business interests demand it?
- How good are you at making decisions? Small business owners are required to make decisions constantly - often quickly, independently, and under pressure.
- Do you have the physical and emotional stamina to run a business? Business ownership can be exciting, but it's also a lot of work. Can you face six or seven 12-hour workdays every week?
- How well do you plan and organize? Research indicates that poor planning is responsible for most business failures. Good organization — of financials, inventory, schedules, and production — can help you avoid many pitfalls.

ON THE UPSIDE

It's true, there are a lot of reasons not to start your own business. But for the right person, the advantages of business ownership far outweigh the risks.

- You get to be your own boss.
- Hard work and long hours directly benefit you, rather than increasing profits for someone else.
- A new venture is exciting.
- Earnings and growth potential are far less limited.
- Running a business will provide endless variety, challenge and opportunities to learn.

EVALUATE

Start by evaluating your strengths and weaknesses

1. Are you a self-starter?

It will be up to you – not someone else telling you – to develop projects, organize your time and follow through on details.

2. How well do you get along with different personalities?

Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, lawyers, accountants and consultants. Can you deal with a demanding client, an unreliable vendor or a cranky staff person?

3. How good are you at making decisions?

Small business owners are required to make decisions constantly, often quickly, under pressure.

4. Do you have the physical and emotional stamina to run a business?

Business ownership can be challenging, fun and exciting. But it's also a lot of hard work. Can you face 12-hour workdays six or seven days a week?

5. How well do you plan and organize?

Research indicates many business failures could have been avoided through better planning. Good organization – of financials, inventory, schedules, production – can help avoid pitfalls.

- Is your drive strong enough? Running a business can wear you down emotionally. Some business owners burn out quickly from having to carry all the responsibility for the success of their business on their own shoulders. Strong motivation will help you survive slowdowns and periods of burnout.
- How will the business affect your family? The first few years of business start-up can be hard on family life. It's important for family members to know what to expect and for you to be able to trust that they will support you during this time. There also may be financial difficulties until the business becomes profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk in the short-term.

Once you've answered those questions, you should consider what type of business you want to start.

FRANCHISING

There are more than 3,000 franchised businesses. The challenge is to decide on one that both interests you and is a good investment. Many franchising experts suggest that you comparison shop by looking at multiple franchise opportunities before deciding on the one that's right for you.

Some of the things you should look at when evaluating a franchise: profitability, effective financial management and other controls, a good image, integrity and commitment, and a successful industry.

In the simplest form of franchising, while you own the business, its operation is governed by the terms of the franchise agreement. For many, this is the chief benefit for franchising. You are able to capitalize on a business format, trade name, trademark and/or support system provided by the franchisor. But you operate as an independent contractor with the ability to make a profit or sustain a loss commensurate with your ownership.

If you are concerned about the risk involved in a new, independent business venture, then franchising may be the best business option for you. Remember that hard work, dedication and sacrifice are key elements in the success of any business venture, including franchising.

For more information visit the SBA Web site at:

<http://www.sba.gov/smallbusinessplanner/start/> and click on "Buy a Franchise" from the menu on the right side; or visit the Franchise Registry at www.franchiseregistry.com/ or call your local SBA office.

HOME-BASED BUSINESS CONSIDERATIONS

Going to work used to mean traveling from home to a plant, store or office. Today many people do some or all their work at home.

Garages, basements and attics are being transformed into the corporate headquarters of the newest entrepreneurs – the home-based business person.

Getting Started

Before diving headfirst into a home-based business, you must know why you are doing it. To succeed, your business must be based on something greater than a desire to be your own boss. You must plan and make improvements and adjustments along the road.

Ask yourself these questions – and remember, there are no best or right reasons for starting a home-based business. But it is important to understand what the venture involves.

Working under the same roof where your family lives may not prove to be as easy as it seems. It's important to work in a professional environment. One suggestion is to set up a separate office in your home to create this professional environment.

Ask yourself:

- Can I switch from home responsibilities to business work?
- Do I have the self-discipline to maintain schedules?
- Can I deal with the isolation of working from home?
- Am I a self-starter?

Finding Your Niche

Choosing a home business must be approached carefully.

Ask yourself:

- Does my home have the space for a business?
- Can I identify and describe the business I want to establish?
- Can I identify my business product or service?
- Is there a demand for that product or service?
- Can I successfully run the business from home?



An Online Marketplace For Franchises & Business Opportunities

For ALL Your Franchising Needs
Go To:
www.franmarket.com/sba

Legal Requirements

A home-based business is subject to many of the same laws and regulations affecting other businesses.

Some general areas include:

- Zoning regulations. If your business operates in violation of them, you could be fined or shut down.
- Product restrictions. Certain products cannot be produced in the home. Most states outlaw home production of fireworks, drugs, poisons, explosives, sanitary or medical products and toys. Some states also prohibit home-based businesses from making food, drink or clothing.

Be sure to consult an attorney and your local, city and state departments of labor to find out which laws and regulations will affect your business. Additionally, check on registration and accounting requirements needed to open your home-based business. You may need a work certificate or license from the state. Your business name may need to be registered with the state. A separate business telephone and bank account are good business practices.

Also remember, if you have employees you are responsible for withholding income and social-security taxes, and for complying with minimum wage and employee health and safety laws.

If you're convinced that working from home is for you, it's time to create your business plan. The SBA and its resource partners, such as SCORE, SBDCs and WBCs can help make the process easier.



TIP: Many local organizations such as SCORE "Counselors to America's Small Business" and the Michigan Small Business & Technology Development Centers offer pre-business planning workshops which can be very worthwhile for the aspiring entrepreneur. This type of workshop will introduce you to all the issues you should consider before starting a business.

REACHING UNDERSERVED AUDIENCES

Women Business Owners

Women entrepreneurs are changing the face of America's economy. In the 1970's, women owned less than five percent of the nation's businesses. Today, they are at least equal owners of nearly half the nation's businesses and are majority owners of about a third of all small businesses. SBA serves women entrepreneurs nationwide through its various programs and service, some of which are designed especially for women. Many of these are overseen by SBA's Office of Women's Business Ownership.

Women's business ownership representatives in every SBA district office coordinate services for women, helping them access appropriate training, counseling, mentoring, federal contracting opportunities, financing, and more. They can also provide information on other local resources, including SBA resource partners and lenders.

The SBA's Women Business Centers are a nationwide network of 114 community-based centers that provide business training, counseling, mentoring and other assistance geared to women, particularly those who are socially and economically disadvantaged. To meet the needs of women entrepreneurs, the WBCs offer their services at convenient times and locations. Some offer child care during training and many provide assistance and materials in different languages, depending on the needs of the individual communities they serve. Classes are either free or offered at a small fee, and scholarships are often available to those who need them. A number of WBCs also provide courses and counseling via the Internet, mobile classrooms and satellite locations.

Both SBA district offices and women's business centers offer mentoring roundtables. If there is not an existing roundtable nearby, women's business centers may be able to help women entrepreneurs set them up.

To find the nearest women's business ownership representative or women's business center, and to learn more about SBA programs and services, visit the Office of Women's Business Ownership at www.sba.gov/women.

The SBA WBCs in Michigan are:

Cornerstone Alliance

38 W. Wall St./P.O. Box 428
Benton Harbor, MI 49023-0428
269-925-6100 • 269-925-4471 Fax
www.cstonealliance.org/wbc
Serves Southwest Michigan
Features: Business Consultation, Economic Literacy and Financial Management Training, Core Four Business Planning Course, Internet Training, Women's Network for Entrepreneurial Training Roundtables, Women and Minority Certification Assistance, Child Care Certification, and much more.

Detroit Entrepreneurship Institute Inc.

1010 Antietam
Detroit, MI 48207
313-877-9060 • 313-877-9058 Fax
www.deibus.org
Serves Metro Detroit
Features: Internet Training, Economic Literacy Training, Mentoring, Technical Assistance and Entrepreneurial Training.

Grand Rapids Opportunities for Women

25 Sheldon Blvd. S.E., Ste. 210
Grand Rapids, MI 49503
616-458-3404 • 616-458-6557 Fax
www.growbusiness.org
Serves West Michigan
Features: Small Business Readiness and Entrepreneurial Training, The 15 week Minding Your Own Business training, Up-Close Seminars, Business Counseling, "Lunch with Punch" Roundtables, Economic Literacy training series, and Individual Development Accounts - matched savings accounts for building assets for business start up or expansion.

Center for Empowerment and Economic Development (CEED)

2002 Hogback Rd., Ste. 12
Ann Arbor, MI 48105
734-677-1400 • 734-677-1465 Fax
www.miced.org
Statewide Center
Features: Business Planning, Marketing, Industry Research, and Financial Training; Microloan Program; Women's Business Enterprise (WBE) Certification and Business Development Assistance and Contracting Opportunities with over 700 corporate members of WBENC, the Women's Business Enterprise National Council; and the Michigan Women's Marketplace, an online community of 50+ resource partners, events calendar, and training center.

Women Business Enterprise Certification

The Michigan Women's Business Council (MWBC) serves as a partner with the Women's Business Enterprise National Council to assist women business owners with women's business certification and access to private and government markets. Note: there is no certification requirement for women-owned businesses to do business with the federal government. For more information on the MWBC call 734-677-1400 or visit: www.wbenc.org.

Michigan Women's Marketplace

The Michigan Women's Marketplace is an online resource for women business owners and those supporting woman-owned businesses by providing a comprehensive Women's Business Directory, statewide events calendar, an interactive training center, and a list of business resources. For more information visit: www.miwomen.com.

VETERANS BUSINESS DEVELOPMENT

The SBA offers a variety of services to American veterans who have made or are seeking to make the transition from service member to small business owner. Each of SBA's 68 district offices throughout the

country has designated a Veterans Business Development Officer to help veterans prepare, plan and succeed in entrepreneurship. The Veterans Business Outreach Center Program provides online and face-to-face entrepreneurial development services such as business training, counseling and mentoring to eligible veterans owning or considering starting a small business. SBTDCs and SCORE also provide targeted management assistance to veterans who are current or prospective small business owners. SCORE also provides resources and counseling services online at: www.score.org.

The Small Business and Technology Development Centers provides resources and training tools online at: www.misbtcdc.org.

The SBA offers special assistance for activated Reserve and National Guard members and the small businesses they work in or own. Any self-employed Reserve or Guard member with an existing SBA loan can request from their SBA lender or SBA district office, loan payment deferrals, interest rate reductions and other relief after they receive their activation orders.

The SBA offers special low-interest-rate financing to small businesses when an owner or essential employee is called to active duty. The Military Reservist Economic Injury Disaster Loan Program provides loans to eligible small businesses to cover operating costs that cannot be met due to the loss of an essential employee called to active duty in the reserves or National Guard. Small businesses may apply for MREIDLs of up to \$2 million if they have been financially impacted by the loss of an essential employee. The SBA has created a special Web page specifically for Reserve and Guard members at: <http://www.sba.gov/aboutsba/sbaprograms/reservists/index.html>.

To ensure that veterans, service-disabled veterans and Reserve and National Guard member entrepreneurs receive special consideration in all its entrepreneurial programs and resources, the SBA has established a fully staffed Office of Veterans Business Development. OVBD develops and distributes various informational materials for entrepreneurship such as the Veterans Business Resource Guide, VETGazette, Getting Veterans Back to Work, and various other materials. Veterans may access these resources and other assistance from OVBD by visiting the Web site at: www.sba.gov/VETS/.

For more information or special assistance with government contracting, including programs for veterans and service-disabled veterans, please check the Contracting Opportunities section of this publication, and the Web site above.

SBA's Patriot Express Initiative has new and enhanced programs and services for veterans and members of the military

WEBSITE Business plan help

The nearest SCORE chapter can be located at: www.score.org. For business plan help at the SCORE Web site, click on "Business Tools" from the left-hand menu, then click on "Template Gallery."

You can find the nearest VBOC at: www.sba.gov/vets.

To find WBCs, click on: www.sba.gov/services and choose "Women's Business Centers" from the "Counseling and Assistance" heading at the bottom.

You can also find business-plan help on the SBA's Web site at: <http://www.sba.gov/smallbusinessplanner/> then choose "Writing a Business Plan" from the "Plan Your Business" menu along the bottom.)

community wanting to establish or expand small businesses. See the Financing section for more information on Patriot Express.

NATIVE AMERICAN BUSINESS DEVELOPMENT

The SBA is also working to ensure that entrepreneurship opportunities are available for American Indians, Native Alaskans and Native Hawaiians seeking to create, develop and expand small businesses. These groups have full access to the necessary business development and expansion tools available through the agency's entrepreneurial development, lending and procurement programs. More information is at: <http://www.sba.gov/aboutsba/sbaprograms/naa/index.html>

WRITING A BUSINESS PLAN

After you've thought about your business, the next step is to develop a business plan. The business plan is a formal document explaining in some detail your plans to develop a financially successful business. It's vitally important for two reasons:

- Preparing a business plan forces you to think through every aspect of your business. If you need outside money, your business plan will be one of the first things the lender or investor wants to see.

The Money You Need To Grow Your Small Businesses

- Small Business Administration (SBA) Loan Program
- Fixed Asset Financing
- Low Fixed Rates
- 10 to 20 Year Terms
- Fully Amortized



CALL US TODAY FOR MORE INFORMATION!

Lakeshore 504

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www.lakeshore504.org • jparker@lakeshore504.org

Lakeshore 504 is a service of the Holland Area Chamber of Commerce, and The Chamber, Grand Haven, Spring Lake, Ferrysburg.

- A business plan serves as an assessment tool for you.

A comprehensive business plan is not done on the spur of the moment. It can be a long process, and you need good advice. The SBA and its resource partners, including Small Business and Technology Development Centers located on many college campuses, Veterans Business Outreach Centers, SCORE, Counselors to America's Small Business, and Women's Business Centers, have the expertise to help you craft a winning business plan.

You can find the nearest SBTDC at: <http://www.sba.gov/aboutsba/sbaprograms/sbdc/index.html> or www.misbtdc.org.

IN GENERAL, HERE'S WHAT A GOOD BUSINESS PLAN CONTAINS:

Introduction

- Give a detailed description of the business and its goals.
- Discuss ownership of the business and its legal structure.
- List the skills and experience you bring to the business.
- Discuss the advantages you and your business have over competitors.

Marketing

- Discuss the products and services your company will offer.
- Identify customer demand for your products and services.
- Identify your market, its size and locations.
- Explain how your products and services will be advertised and marketed.
- Explain your pricing strategy.

Financial Management

- Develop an expected return on investment and monthly cash flow for the first year.
- Provide projected income statements, and balance sheets for a two-year period.
- Discuss your break-even point.
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting records and how they will be kept.
- Provide "what if" statements addressing alternative approaches to problems that may develop.

Operations

- Explain how the business will be managed day-to-day.
- Discuss hiring and personnel procedures.
- Discuss insurance, lease or rent agreements, and issues pertinent to your business.
- Account for the equipment necessary to produce your goods or services.
- Account for production and delivery of products and services.

Concluding Statement

Summarize your business goals and objectives and express your commitment to the success of your business. Once you have completed your business plan, review it with a friend or business associate or SCORE counselor or Small Business Development Center representative.

Remember, the business plan is a flexible document that should change as your business grows.

SCORE

SCORE is a 10,500-member volunteer nonprofit association which operates under a cooperative agreement with the U.S. Small Business Administration. SCORE, with more than 40 years experience helping small businesses succeed, matches volunteer business-management counselors with clients in need of expert advice. SCORE has experts in virtually every area of business management and maintains a national skills roster to help identify the best counselor for a particular client. Volunteer counselors, whose collective experience spans the full range of American enterprise, share their management and technical expertise with both current and prospective small business owners.

Most SCORE volunteers are retired business owners or managers, though some members are still actively employed. Volunteers work in or near their home communities to provide management counseling and training to first-time entrepreneurs and current small business owners. They meet with clients at a SCORE chapter office, an SBA office or at the client's place of business.

Every effort is made to match a client's needs with a counselor who is experienced in a comparable line of business. All individual and team counseling is free; there may be a nominal fee for workshops and seminars.

Through in-depth counseling and training, SCORE volunteers help prospective and established small business owners and managers identify problems, determine the causes and find solutions.

Any small business can obtain help from SCORE. Whether you are considering starting your own business, have a business that is experiencing problems, are ready to expand, or need some other type of advice, SCORE can help. The approach is confidential and personal. You don't need to be applying for or have an SBA loan to participate in the program. In fact, an idea is all that is necessary; consultation and counseling

before a business start-up is an important part of SCORE's service.

For more information on SCORE, visit www.scoremichigan.com. SCORE counselors are in the following locations:

Adrian Area Chamber of Commerce

128 E. Maumee St.
Adrian, MI 49221
517-265-2320

Ann Arbor Chamber of Commerce – SCORE Chapter 655

115 W. Huron St.
Ann Arbor, MI 48104
734-665-4433
info@annarborscore.org
www.annarborscore.org

Cleary University – Washtenaw Campus

3601 Plymouth Rd.
Ann Arbor, MI 48105
734-332-4477

Cornerstone Alliance – SCORE Branch

38 W. Wall St.
Benton Harbor, MI 49022-4735
269-925-6100
score@cstonealliance.org

Birmingham/Bloomfield Chamber

124 W. Maple
Birmingham, MI 48009
248-644-1700

Cadillac Area Chamber of Commerce

222 Lake St.
Cadillac, MI 49601
231-775-9776

Cedar Springs City Hall

66 South Main St.
Cedar Springs, MI 49319
616-696-1330
www.cityofcedarsprings.org

Clarkston Area Chamber

5856 S. Main St.
Clarkston, MI 48346
248-625-8055

Clawson Chamber of Commerce

425 N. Main St.
Clawson, MI 48017
248-435-6500

Constantine Incubation Center

186 S. Washington St.
Constantine, MI 49042
269-435-2085
constantinemanager@voyager.net

Coopersville Area Chamber of Commerce

289 Danforth
Coopersville, MI 49404
616-997-5164
www.coopersville.com

Dearborn Chamber of Commerce

15544 Michigan Ave.
Dearborn, MI 48126-2901
313-584-6100

SCORE Chapter 18

Small Business Administration
477 Michigan Ave., Rm. 515
Detroit, MI 48226
313-226-7947
detscore@sbcglobal.net
www.scoredetroit.org
Hours: Mon-Fri 10:00am - 3:00pm

Farmington/Hills Chamber of Commerce

27555 Executive Dr., #145
Farmington Hills, MI 48331
248-474-3440

Ferndale Chamber of Commerce

415 E. Nine Mile Rd.
Ferndale, MI 48220-1721
248-542-2160

MI Veterans Business Resource Center

400 S. Dort Hwy.
Flint, MI 48503
810-767-8387

Grand Haven Area Chamber of Commerce

One S. Harbor Dr.
Grand Haven, MI 49417
616-842-4910

Grand Rapids Chamber of Commerce – SCORE Chapter 642

111 Pearl Street N.W.
Grand Rapids, MI 49503-2831
616-771-0305
score@grandrapids.org
www.scoregr.org

Grandville Area Chamber of Commerce

2905 Wilson S.W., Ste. 202A
Grandville, MI 49418
616-531-8890
www.grandvillechamber.org

Greenville Area Chamber of Commerce – SCORE Branch

At the M-Tec Center
1325 Yellow Jacket Dr.
Greenville, MI 48838
616-754-5697
info@greenvillechamber.net
www.greenvillechamber.net

Grosse Pointe Chamber of Commerce

710 Notre Dame
Grosse Pointe, MI 48230
313-881-4722

Barry County Area Chamber of Commerce – SCORE Branch

221 W. State St.
Hastings, MI 49058
269-945-2454
barrychamber@sbcglobal.net
www.barrychamber.com

Holland Chamber of Commerce – SCORE Chapter 686

272 E. 8th St.
Holland, MI 49423
616-392-2389
contactus@scoreholland.org
www.scoreholland.org

Howell Chamber of Commerce

123 Washington St.
Howell, MI 48843
517-546-3920

Ionia Area Chamber of Commerce

439 W. Main St.
Ionia, MI 48846
616-527-2560
info@ioniachamber.net
www.ioniachamber.org



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For more information on Blues plans available, contact your independent authorized Blues agent or visit us online.



Nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association

bcbsm.com MiBCN.com

**Kalamazoo Chamber of Commerce –
SCORE Chapter 433**

346 W. Michigan Ave.
Kalamazoo, MI 49007
269-381-5382 • 269-384-0096 Fax
info@scorekazoo.org
www.scorekazoo.org

Lansing Regional Chamber of Commerce

500 E. Michigan, Ste. 205
Lansing, MI 48933
517-487-6340
www.score-lansing-mi.com

Livonia Chamber of Commerce

33233 Five Mile Rd.
Livonia, MI 48154
734-427-2122

Lowell Area Chamber of Commerce

113 Riverwalk Plaza
Lowell, MI 49331
616-897-9161
info@lowellchamber.org
www.lowellchamber.org

**Ludington Area Chamber of Commerce –
SCORE Chapter 702**

5300 W. U.S. Hwy.10
Ludington, MI 49431
231-845-0324
lauran@ludington.org
www.ludington.org

Manistee – SCORE Branch

Manistee Area Chamber of Commerce
11 Cypress St.
Manistee, MI 49660
231-723-2575
jvirta@manistee.com
www.manisteecountychamber.com/score.html

Milan Area Chamber of Commerce

153 E. Main St.
Milan, MI 48160
734-439-7932

Huron Valley Chamber of Commerce

317 Union St.
Milford, MI 48381-1983
248-685-7129

Macomb County Chamber

28 First St., Ste. B
Mt. Clemens, MI 48043
586-493-7600

**Muskegon Area Chamber of Commerce –
SCORE Chapter 653**

380 Westin Ave., Ste. 202
Muskegon, MI 49440
231-722-3751
score@muskegon.org
www.scoremuskegon.org

Fremont Area Chamber of Commerce

at the Newago County Economic Dev. Corp.
4684 Evergreen Dr.
Newago, MI 49337
231-652-9298

Newago Area Chamber Of Commerce

at the Newago County Economic Dev. Corp.
4684 Evergreen Dr.
Newago, MI 49337
231-652-9298

Novi Chamber of Commerce

47601 Grand River Ave., #A208
Novi, MI 48374
248-349-3743

**Petoskey/Harbor Springs Area
Chamber of Commerce –
SCORE Chapter 622**

401 E. Mitchell St.
Petoskey, MI 49770-9961
231-347-4150
chamber@petoskey.com
www.tipofthemittscore.org/

Portage District Library

300 Library Ln.
Portage, MI 49024
269-329-4544

Greater Rochester Chamber

71 Walnut Blvd., Ste. 110
Rochester, MI 48307-2073
248-651-6700

Rockford Area Chamber of Commerce

598 Byrne Industrial Dr.
Rockford, MI 49341
616-866-2000
www.rockfordmichamber.com

Greater Royal Oak Chamber

200 S. Washington Ave.
Royal Oak, MI 48067-3821
248-547-4000

St Clair Chamber of Commerce

P.O. Box 121
St Clair, MI 48079
810-329-2962

Metro East Chamber of Commerce

27601 Jefferson Ave.
St. Clair Shores, MI 48081
586-777-2741

Southfield Chamber of Commerce

17515 W. Nine Mile Rd., Ste. 190
Southfield, MI 48075
248-557-6661

Southfield Public Library

26300 Evergreen Rd.
Southfield, MI 48076
248-796-4379

Downriver Community Conference

15100 Northline Rd.
Southgate, MI 48195
734-362-3477

Southern Wayne Co. Regional Chamber

20600 Eureka Rd., Ste. 315
Taylor, MI 48180
734-284-6000

**Traverse City Chamber of Commerce –
SCORE Chapter 578**

202 E. Grandview Pkwy.
Traverse City, MI 49684
231-947-5075
www.score-tvc.org

Troy Chamber of Commerce

4555 Investment Dr., Ste. 300
Troy, MI 48098
248-641-8151

SBTDC @ Delta College

1961 Delta Rd.
University Center, MI 48710
989-686-9000

Macomb County Chamber

31201 Chicago Rd., Ste. C105
Warren, MI 48093
586-268-6430

**Michigan Business and Professional
Association**

27700 Hoover Rd.
Warren, MI 48093
586-494-8800 • 586-393-8810 Fax
www.michbusiness.org

**Oakland County Planning & Economic
Development Group**

2100 N. Pontiac Lake Tr.
Waterford, MI 48341
248-858-0783

Wayland Area Chamber of Commerce

117 S. Main, Ste. 6
Wayland, MI 49348
269-792-9246
Info@waylandchamber.org
www.waylandchamber.org

West Bloomfield Chamber of Commerce

6668 Orchard Lake Rd., Ste. 207
West Bloomfield, MI 48322
248-626-3636

White Lake Area Chamber of Commerce

124 W. Hanson St.
Whitehall, MI 49461
231-893-4585

**Wyoming-Kentwood Area
Chamber of Commerce**

590-32nd St. S.E.
Wyoming, MI 49548
616-531-5990
julie@southkent.org
www.southkent.org

Ypsilanti Area Chamber of Commerce

301 W. Michigan Ave., Ste. 101
Ypsilanti, MI 48197

**SCORE's Presence on the
Internet**

SCORE can also be found on the Internet at www.score.org. SCORE's presence on the Internet makes it possible to reach more small business clients than ever with online mentoring and counseling services.

Business owners are now turning to the technology of the Web to fulfill their needs for information and advice. SCORE is primed to meet their requests for help by offering e-mail counseling, maps to local SCORE chapters, hotlinks to other business resources on the Internet and more at the click of a mouse. E-mail counseling is provided by the Cyber-chapter, which now includes more than 1,200 online members. You can choose from almost 800 unique skills to find the cybercounselor who best suits your individual needs, including special counseling for veterans, service-disabled veterans and Reserve component members. Log on to SCORE's Internet site at www.score.org to take advantage of the many services SCORE has to offer your business.

RETAP Program

The Retired Engineer Technical Assistance Program (RETAP) was established by the State of Michigan to help small businesses and institutions prevent pollution, reduce waste and conserve energy. RETAP assessment teams consist of retirees from many Michigan industries who are willing to apply their skills, expertise, and time to assess potential pollution and waste problems and to provide suggestions and recommendations for improvement. The assessments are performed free of charge and only at the request of the business. A confidential report is provided only to the assessed business or institution. Business may receive assistance with:

- Basic technical assistance in pollution prevention and energy conservation.
- Identification of pollution prevention and energy conservation opportunities, including suggestions and recommendations for their remediation.
- Research and education to further the goal of pollution prevention.
- Assistance in obtaining low interest loans for pollution prevention actions.

Additional information may be obtained by calling the RETAP office at 517-241-8176 or visiting: www.michigan.gov/deq/0,1607,7-135-3585_4848---,00.html.

MICHIGAN SMALL BUSINESS & TECHNOLOGY DEVELOPMENT CENTERS (SBTDC)

The Michigan Small Business & Technology Development Centers work in coordination with federal, state, local and private-sector resources through a cooperative agreement with the SBA, to meet the needs of small businesses. They play a key role in economic development within local communities by helping create and retain jobs. SBTDCs

provide services such as analysis of business feasibility, and the development of business plans and marketing and sales strategies. They assist companies in putting together their financials, to prepare them for both conventional and non-conventional financing. Based on client needs, SBTDCs tailor their services to meet the evolving needs of the local small business community.

Michigan, as an ASBDC Technology-accredited state (www.asbdc-us.org), serves not only traditional service, retail, and small manufacturers, but also serves Michigan's emerging technology sector. The MI-SBTDC plays a key role for the state of Michigan's economic development corporation in

assisting innovators in their commercialization process, targeting: life science, homeland security, alternative energy, and advanced manufacturing/materials handling companies.

Across the country, SBDCs deliver management and technical assistance to small businesses using an effective business education network of 63 lead centers and more than 1,000 service-center locations contracted to manage a broad-based SBDC program. SBDCs are located throughout the U.S., District of Columbia, Guam, Puerto Rico, American Samoa and the U.S. Virgin Islands. Their services are available to all small businesses or prospective small businesses. There are specialized programs for minorities,



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To find out more about Key SBA lending, call Kevin Caragay at 248-651-3079.



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women, veterans, persons with disabilities, 8(a) businesses in all stages, and persons in low and moderate income within urban and rural areas. As the SBA's largest non-finance program, SBDCs meet the counseling and training needs of nearly 1 million start-ups or existing business clients annually.

For more information, visit the SBA Web site at: www.sba.gov/SBDC. All consulting services are at no cost and are confidential. Each center also offers a variety of training seminars at low or no cost. Please contact the center closest to you for more information or the MISBTDC's Web site www.misbtdc.org.

STATE HEADQUARTERS

www.misbtdc.org

Grand Valley State University

510 W. Fulton
Grand Rapids, MI 49504
616-331-7480 • 616-331-7485 Fax
sbtdchq@gvsu.edu
Carol Lopucki, State Director

REGION 1 – Upper Peninsula

Serves: Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon and Schoolcraft counties.
www.misbtdc.org/region1

Michigan Works!

2950 College Ave.
Escanaba, MI 49829
906-789-0558 • 906-789-9952 Fax
jschultz@jobforce.org
Joel Schultz, Regional Director

ADDITIONAL COUNSELING LOCATIONS

Dickinson Area Partnership

600 S. Stephenson Ave.
Iron Mountain, MI 49801
906-774-2002 • 906-774-2004 Fax
moreinfo@dickinsonchamber.com

Iron County EDC

2 S. Sixth St., Ste. 8
Crystal Falls, MI 49920
906-875-6688 • 906-875-0657 Fax
edc@iron.org

Keweenaw Bay Indian Community

107 Beartown Rd.
Baraga, MI 49908
906-353-2626 • 906-353-7540 Fax
www.ojibwa.com

Lake Superior Community Partnership

501 S. Front St.
Marquette, MI 49855
906-226-6591 • 906-226-2099 Fax
info@marquette.org

Luce County EDC

407 W. Harrie St.
Newberry, MI 49868
906-293-5982 • 906-293-2904 Fax
www.luceedc.org/index.html

Mackinac County EDC

100 S. Marley St., Rm. 125
St. Ignace, MI 49781
906-643-7307 • 906-642-6581 Fax
edc@mackinacounty.net

Marinette/Menominee Area Chamber of Commerce

1005 Tenth Ave.
Menominee, MI 49858
906-863-2679

Munising Area Partnership for Development

114 W. Superior St.
Munising, MI 49862
906-387-1818
www.munisinginfo.com

Ontonagon County EDC

725 Greenland Rd.
Ontonagon, MI 49953
906-884-4188 • 906-884-2916 Fax
ontcoedc@jamadots.com
www.ontonagonmi.com

Sault Area Chamber of Commerce

2581 I-75 Business Spur
Sault Ste. Marie, MI 49783
906-632-3301 • 906-632-2331 Fax
info@saultstemarie.org
www.saultstemarie.org

Schoolcraft County EDC

300 Walnut St.
Manistique, MI 49854
906-341-5126 • 906-341-5555 Fax
www.schoolcraftedc.com

REGION 2 – Traverse Bay Area

Serves: Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee and Wexford counties.
www.misbtdc.org/region2

Northwest Michigan Council of Governments

1209 S. Garfield, Ste. C/P.O. Box 506
Traverse City, MI 49685-0506
231-922-3780 • 231-929-5042 Fax
cwendel@nwm.cog.mi.us
Chris Wendel, Regional Director

ADDITIONAL COUNSELING LOCATIONS

Manistee Economic Council

11 Cypress St.
Manistee, MI 49660
231-723-4325 • 231-723-1515 Fax
edo@manistee.com

Northern Lakes Economic Alliance

1313 Boyne Ave./P.O. Box 8
Boyne City, MI 49712-0008
231-582-6482 • 231-582-3213 Fax
wendy@northernlakes.net

Traverse City Area Chamber of Commerce

202 E. Grandview Pkwy./P.O. Box 387
Traverse City, MI 49685-0387
231-946-1596 • 231-946-2565 Fax
info@tcchamber.org

REGION 3 – North East Michigan

Serves: Alcona, Alpena, Cheboygan, Crawford, Iosco, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle and Roscommon counties.
www.misbtdc.org/region3

Alpena Community College

665 Johnson St., Newport Center, Rm. 108
Alpena, MI 49707
989-358-7375 • 989-358-7554 Fax
bourdeltc@alpenacc.edu
Carl Bourdelais, Regional Director

ADDITIONAL COUNSELING LOCATIONS

Cheboygan Area Chamber of Commerce

124 Main St./P.O. Box 69
Cheboygan, MI 49721
231-627-7183 • 231-627-2770 Fax
mgridale@cheboygan.com

Ogemaw County EDC

205 S. Eighth St.
West Branch, MI 48661
989-345-0692 • 989-345-1284 Fax
zoia@msue.msu.edu

Otsego County Economic Alliance

1062 Cross St.
Gaylord, MI 49735
989-731-0288 • 989-731-0289 Fax
ratclifj@msu.edu

Presque Isle County Development Commission

658 S. Bradley Hwy.
Rogers City, MI 49779
989-734-8446 • 989-734-2577 Fax

REGION 4 – Central Michigan

Serves: Clare, Gladwin, Gratiot, Isabella, Lake, Mason, Mecosta, Montcalm, Newaygo, Oceana and Osceola counties.
www.misbtdc.org/region4

Mid Michigan Community College

M-TEC Bldg., 1375 S. Clare Ave.
Harrison, MI 48625
989-386-6630 • 989-802-0971 Fax
aefox@midmich.edu
Anthony Fox, Regional Director

ADDITIONAL COUNSELING LOCATIONS

Central Michigan University

LaBelle Entrepreneurial Center
ABSC 170
Mount Pleasant, MI 48859
989-774-3270
Fitzp1c@cmich.edu

Gladwin Michigan Works!

150 Commerce Court
Gladwin, MI 48624
989-426-8571

Greater Gratiot Development, Inc

136 S. Main
Ithaca, MI 48847
989-875-2083 • 989-875-2990 Fax
don.schurr@gratiot.org

Mason County Growth Alliance

West Shore Community College
5300 W. U.S. 10
Ludington, MI 49431
231-845-6646

Mecosta Area Chamber of Commerce

246 N. State St.
Big Rapids, MI 49307
231-796-7649 • 231-796-1625 Fax
anja@mecostacounty.com

Montcalm Community College

M-TEC Center
1325 Yellow Jacket Dr.
Greenville, MI 48838
616-754-7706

Newaygo County EDC

4747 W. 48th St., Ste. 108
Fremont, MI 49412
231-652-9298

REGION 5 – Saginaw, Bay City, Midland

Serves: Arenac, Bay, Huron, Midland, Saginaw,
Sanilac, and Tuscola counties.
www.misbtfdc.org/region5

Delta College Corporate Services

1961 Delta Rd., H-Wing
University Center, MI 48710-0002
989-686-9597 • 989-667-2222 Fax
christinegreve@delta.edu
Christine Greve, Regional Director

ADDITIONAL COUNSELING LOCATIONS

Midland Tomorrow

300 Rodd St., Ste. 201
Midland, MI 48640-6596
989-839-0340 • 989-839-7372 Fax
walker@midlandtomorrow.org
www.midlandtomorrow.org

Huron County EDC

250 E. Huron Ave., Ste. 303
Bad Axe, MI 48413
989-269-6431 • 989-269-8209 Fax
carl@huroncounty.com

REGION 6 – Flint Area

Serves: Genesee and Lapeer counties.
www.misbtfdc.org/region6

Kettering University

1700 W. University Ave.
Campus Center, 5th Fl.
Flint, MI 48504
810-762-9660 • 810-762-9678 Fax
mlyttle@kettering.edu
Marsha Lyttle, Regional Director

ADDITIONAL COUNSELING LOCATION

Lapeer Development Corporation

449 McCormick Dr.
Lapeer, MI 48446
810-667-0080 • 810-667-3541 Fax
patricia@lapeerdevelopment.com

REGION 7 – Grand Rapids Area

Serves: Kent, Muskegon and Ottawa counties.
www.misbtfdc.org/region7

Grand Valley State University

401 W. Fulton St.
DeVos Center – 418C
Grand Rapids, MI 49504-6431
616-331-7370 • 616-331-7195 Fax
villarda@gvsu.edu
Dante Villarreal, Regional Director

ADDITIONAL COUNSELING LOCATIONS

Grand Valley State University

Meijer Campus
515 S. Waverly Rd.
Holland, MI 49423
616-331-7370

Lakeshore Advantage

201 W. Washington, Ste. 410
Zeeland, MI 49464
616-772-5226

Muskegon Area Chamber of Commerce

900 Third St., Ste. 200
Muskegon, MI 49440-1135
231-722-3751 • 231-728-7251 Fax
sbdinfo@gvsu.edu

Ottawa Co. Economic Development Office

6676 Lake Michigan Dr./P.O. Box 539
Allendale, MI 49401
616-892-4120 • 616-895-6670 Fax
krizzio@ateltco.net

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SBA Lending

Preferred Lender

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The Chamber – Grand Haven, Spring Lake & Ferrysburg

One S. Harbor Dr.
Grand Haven, MI 49417
616-842-4910
sbdinfo@gvsu.edu

REGION 8 – Lansing Area

Serves: Clinton, Eaton, Ingham, Ionia, Livingston and Shiawassee counties.
www.misbtcd.org/region8

Lansing Community College

309 N. Washington Sq., Ste. 115
P.O. Box 40010
Lansing, MI 48933
517-483-1921 • 517-483-1675 Fax
donaldt2@lcc.edu
Tom Donaldson, Regional Director

ADDITIONAL COUNSELING LOCATIONS

Greater Brighton Area Chamber of Commerce

131 S. Hyne St.
Brighton, MI 48116
810-227-5086 • 810-227-5940 Fax
nancyj@livingstonsbtcd.org

Ionia County Economic Alliance

545 Apple Tree Dr.
Ionia, MI 48846
616-527-8014 • 616-527-8410 Fax
icea@msue.msu.edu

Shiawassee Chamber of Commerce

215 N. Water St.
Owosso, MI 48867
989-723-5149 • 989-723-8353 Fax
gramos@shiawasseechamber.org

REGION 9 – Metro Detroit Area

Serves: Monroe, Oakland and Wayne counties.
www.misbtcd.org/region9

Eastern Michigan University

306 Gary M Owen Bldg.
300 W. Michigan Ave.
Ypsilanti, MI 48197
734-487-0355 • 734-481-3354 Fax
rking@emich.edu
Richard King, Regional Director

ADDITIONAL COUNSELING LOCATIONS

Monroe County Industrial Dev. Corp.

102 E. Front St./P.O. Box 926
Monroe, MI 48161
734-241-8754 • 734-241-0813 Fax
tlake@monroecountyidc.com

Oakland County Business Center

2100 Pontiac Lake Rd., Bldg. 41 W.
Waterford, MI 48328
248-858-0783

Schoolcraft College Business Development Center

18600 Haggerty Rd.
Livonia, MI 48152-2696
734-462-4438 • 734-462-4673 Fax
sgumina@schoolcraft.edu

Wayne County One Stop Business Resource Center

2727 Second Ave., Ste. 120
Detroit, MI 48201
313-967-9295 • 313-967-9296 Fax
twilson2@co.wayne.mi.us

REGION 10 – Macomb–St. Clair Area

Serves: Macomb and St. Clair counties.
www.misbtcd.org/region10

Small Business and Technology Development Center

One S. Main St., 7th Fl.
Mt. Clemens, MI 48043
586-469-5118 • 586-469-6787 Fax
sbtcd@macombcountymi.gov
Donald Morandini, Regional Director

ADDITIONAL COUNSELING LOCATIONS

EDA of St. Clair County

735 Erie St., Ste. 250
Port Huron, MI 48060
810-982-9511 • 810-982-9531 Fax
dalexander@edascc.com

REGION 11 – Southwest Michigan

Serves: Allegan, Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph and Van Buren counties.
www.misbtcd.org/region11

Haworth College of Business

3110 Schneider Hall
Western Michigan University
Kalamazoo, MI 49008-5416
269-387-6004 • 269-387-5710 Fax
Steve Dobbs, Regional Director
Steve.Dobbs@wmich.edu

ADDITIONAL COUNSELING LOCATIONS

Albion EDC

309 N. Superior St./P.O. Box 725
Albion, MI 49224
517-629-3926 • 517-629-3929 Fax
psindt@albionedc.org

Marshall Chamber of Commerce

424 E. Michigan Ave.
Marshall, MI 49068
269-781-5163 • 269-781-6570 Fax
mea@voyager.net

WMU–South

2785 E. Napier Ave., Rm. 2204
Benton Harbor, MI 49022
269-934-1526 • 269-934-1505 Fax
david.alger@wmich.edu

MSU Extension of Allegan County Human Services Building at the Dumont Lake Complex

3255 122nd Ave., Ste. 101
Allegan, MI 49010
269-673-0370 ext. 27 • 269-673-7005 Fax
MSUE.Allegan@county.msu.edu

South Haven Chamber of Commerce

606 Phillips St.
South Haven, MI 49090
269-637-5171

REGION 12 – South East Michigan

Serves: Hillsdale, Jackson, Lenawee and Washtenaw counties.
www.misbtcd.org/region12

Washtenaw Community College

301 West Michigan Ave., Ste. 101
Ypsilanti, MI 48197
734-547-9170 • 734-547-9178 Fax
cpenner@wccnet.org
Charles Penner, Regional Director

ADDITIONAL COUNSELING LOCATIONS

Enterprise Group of Jackson

One Jackson Sq., Ste. 1100
Jackson, MI 49204-0080
517-787-0442 • 517-782-0061 Fax
rweaver@enterprisegroup.org

U.S. EXPORT ASSISTANCE CENTER (USEAC)

U.S. Export Assistance Centers, which consist of SBA staff and the U.S. Department of Commerce in a single location, provide trade promotion, foreign market intelligence, risk assessment, deal structuring, and export-finance assistance for small businesses. The USEACs also work closely with other federal, state and local international trade organizations to help deliver training and counseling to small business exporters. To find the USEAC nearest to you, go to: <http://www.sba.gov/aboutsba/sbaprograms/internationaltrade/useac/index.html>.

John O'Gara

Regional Manager
Export Solutions Group
Office of International Trade
U.S. Small Business Administration
U.S. Export Assistance Center–Detroit
313-226-3670 • 313-226-3670 Fax
john.o'gara@mail.doc.gov

The SBA Regional Manager at the USEAC is responsible for marketing and administering SBA's two export loan programs, the Export Working Capital Program (EWCP) and Export Express. For more information on all export finance programs, please call John O'Gara at 313-226-3670.

Detroit U.S. Export Assistance Center

8109 E. Jefferson Ave., Ste. 110
Detroit, MI 48214
313-226-3650 • 313-226-3657 Fax

Grand Rapids U.S. Export Assistance Center

Grand Valley State University
DeVos Center, Rm. 323-C
401 W. Fulton St.
Grand Rapids, MI 49504-6495
616-458-3564 • 616-458-3872 Fax

Pontiac U.S. Export Assistance Center

250 Elizabeth Lake Rd., Ste. 1300 W.
Pontiac, MI 48341
248-975-9600 • 248-975-9606 Fax

Ypsilanti U.S. Export Assistance Center

300 W. Michigan Ave., Ste. 312 Owen
Ypsilanti, MI 48197
734-487-0259 • 734-485-2396 Fax

REGULATIONS

KNOWING THE RULES

Paying Attention to Detail Can Save Time and Money



It may be inconceivable to you that your home-based consulting service or hand-knit sweater business would have to comply with any of the numerous local, state, and federal regulations, but in all likelihood it will. Avoid the temptation to ignore regulatory details. Doing so may avert some red tape in the short term, but could be an obstacle as your business grows. Taking the time to research the applicable regulations is as important as knowing your market. Below is a checklist of the most common requirements that affect small businesses, but it is by no means exhaustive. Bear in mind that regulations vary by industry. If you're in the food service business, for example, you will have to deal with the health department. If you use chemical solvents, you will have environmental compliances to meet. Carefully investigate the regulations that affect your industry. Being out of compliance could leave you unprotected legally, lead to expensive penalties and jeopardize your business.



TIP: The State of Michigan has a Web site for start-up businesses at: <http://www.michigan.gov> and click on "Business & Economic Growth" in the left column.

BUSINESS.GOV

Business.gov is the official business link to the U.S. government providing a one-stop shop for federal resources from the federal government agencies that regulate or serve businesses.

Business.gov's new "Permit Me" feature provides a single source for obtaining federal and state permits and professional licenses for businesses. While most businesses in the United States are required to obtain a permit, professional license, or identification number to operate, finding the right license can be a major challenge for potential business owners.

"Feature Topics" focuses on common business concerns. It provides context to the compliance information provided on the site and helps business owners understand in plain language the regulatory requirements their businesses face. Additional topics will be added on a regular basis in response to the most frequent searches on the site.

The Content Partners Program formalizes relationships with government agencies, trade associations and professional organizations to develop compliance assistance tools and resources for small- and medium-sized businesses. Partner organizations provide domain specific compliance information featured on the site's Feature Topics and Compliance Guides pages. Business.gov is managed by the SBA in partnership with 21 other federal agencies. You're just a computer click away from help 24-hours a day at: www.business.gov.

BUSINESS ORGANIZATION

There are many forms of legal structure you may choose for your business. The most common structures are Sole Proprietorships,

General and Limited Partnerships, C and S Corporations and Limited Liability Companies. Each legal structure offers organizational options which are appropriate for different personal situations and which affect tax and liability issues. We suggest you research each legal structure thoroughly and consult a tax accountant and/or attorney prior to making your decision.

CHOOSING YOUR BUSINESS STRUCTURE

You may operate your business under one of many organizational structures. The most common organizational structures are sole proprietorships, general and limited partnerships, "C" and "S" corporations and limited liability companies.

Each structure offers unique tax and liability benefits. If you're uncertain which format of business is right for you, contact your local SBA office, SBTDC, SCORE or WBC for assistance.

Sole Proprietorship

One person operating a business as an individual is a sole proprietorship. It's the most common form of business organization. Profits are taxed as income to the owner personally. The personal tax rate is usually lower than the corporate tax rates. The owner has complete control of the business, but faces unlimited liability for its debts. There is very little government regulation or reporting.

General Partnership

A partnership exists when two or more persons join together in the operation and management of a business. Partnerships are subject to relatively little regulation and are fairly easy to establish. A formal partnership is recommended to address potential conflicts such as, who will be responsible for performing each task; what, if any, consultation is needed between partners before major decisions, what happens when a partner dies, and so on. Under a general partnership each partner is liable for all debts of the business. Profits are taxed as income to the partners based on their ownership percentage.

Limited Partnership

Like a general partnership, a limited partnership is established by an agreement between two or more individuals. However, there are two types of partners.

- A general partner has greater control in some aspects of the partnership. For example, only a general partner can decide to dissolve the partnership. General partners have no limits on the dividends they can receive from profit so they incur unlimited liability.
- Limited partners can only receive a share of profits based on the proportional amount on their investment, and the liability is similarly limited in proportion to their investment.

“C” Corporation

A “C” corporation is a legal entity created under State law by the filing of articles of incorporation. A corporation is a separate entity having its own rights, privileges and liabilities, apart from those of the individual(s) forming the corporation. It's the most complex form of business organization and is comprised of shareholders, directors and officers. Since the corporation is an entity in its own right it can own assets, borrow money and perform business functions without directly involving the owners. Corporations are subject to more government regulation and it offers the owners the advantage of limited liability, but not total protection from lawsuits.

Subchapter “S” Corporation

Subchapter “S” references a special part of the Internal Revenue Code that permits a corporation to be taxed as a partnership or sole proprietorship, with profits taxed at the individual, rather than the corporate rate. A business must meet certain requirements for Subchapter “S” status. Contact the IRS for more information.

LLCs and LLPs

The limited liability company is a relatively new business form. It combines selected corporate and partnership characteristics while still maintaining status as a legal entity distinct from its owners. As a separate entity it can acquire assets, incur liabilities and conduct business. It limits liability for the owners. LLC owners risk only their investment, not personal assets. The limited liability partnership is similar to the LLC, but it is for professional organizations.



TIP: For more information on the different requirements for legal structures in Michigan, contact the Bureau of Commercial Services in Lansing at 517-241-6470 or visit: www.michigan.gov/cis. The Michigan Non-profit Association has a “Getting Started” packet for non-profit



organizations. For more information call 517-492-2400 or visit: www.mnaonline.org/.

BUSINESS LICENSES

There are many types of licenses, both state and local as well as professional. Depending on what you do and where you plan to operate, your business may be required to have various state and/or municipal licenses, certificates or permits.

Licenses are typically administered by a variety of state and departments. Consult your state or local government for assistance. You may check the Michigan Economic Development Corporation (MEDC) Web site at: www.michiganadvantage.org/Start-a-Business for licensing and permit information (Look for “Licenses/Permits” under “Start a Business” section). Business owners may also call the MEDC at 888-522-0103.

FICTITIOUS BUSINESS NAME

Registering your business name, after doing a search to make sure that it is not already in use, protects you from others who might be using the same name. For more information, contact the county clerk's office in the county where your business is based or contact:

Department of Energy, Labor & Economic Growth

517-241-6470

www.michigan.gov/cis

BUSINESS INSURANCE

Like home insurance, business insurance protects the contents of your business against fire, theft and other losses. Contact your insurance agent or broker. It is prudent for any business to purchase a number of basic types of insurance. Some types of coverage are required by law, other simply

make good business sense. The types of insurance listed below are among the most commonly used and are merely a starting point for evaluating the needs of your business.

Liability Insurance – Businesses may incur various forms of liability in conducting their normal activities. One of the most common types is product liability, which may be incurred when a customer suffers harm from using the business product. There are many other types of liability, which are frequently related to specific industries. Liability law is constantly changing. An analysis of your liability insurance needs by a competent professional is vital in determining an adequate and appropriate level of protection for your business.

Property – There are many different types of property insurance and levels of coverage available. It is important to determine the property you need to insure for the continuation of your business and the level of insurance you need to replace or rebuild. You must also understand the terms of the insurance, including any limitations or waivers of coverage.

Business Interruption – While property insurance may pay enough to replace damaged or destroyed equipment or buildings, how will you pay costs such as taxes, utilities and other continuing expenses during the period between when the damage occurs and when the property is replaced? Business Interruption (or “business income”) insurance can provide sufficient funds to pay your fixed expenses during a period of time when your business is not operational.

“Key Man” – If you (and/or any other individual) are so critical to the operation of your business that it cannot continue in the event of your illness or death, you should consider “key man” insurance. This type of policy is frequently required by banks or government loan programs. It also can be used to provide continuity in operations during a period of ownership transition caused by the death or incapacitation of an owner or other “key” employee.

Automobile – It is obvious that a vehicle owned by your business should be insured for both liability and replacement purposes. What is less obvious is that you may need special insurance (called “non-owned automobile coverage”) if you use your personal vehicle on company business. This policy covers the business' liability for any damage which may result for such usage.

Officer and Director – Under most state laws, officers and directors of a corporation may become personally liable

for their actions on behalf of the company. This type of policy covers this liability.

Home Office – If you are establishing an office in your home, it is a good idea to contact your homeowners' insurance company to update your policy to include coverage for office equipment. This coverage is not automatically included in a standard homeowner's policy.

EMPLOYER IDENTIFICATION NUMBER

An EIN, Form SS-4, also known as a federal tax identification number, is used to identify a business entity. Generally all businesses need an EIN. You may apply for an EIN in a variety of ways, including online, phone, fax. Taxpayers can call a toll-free number, 800-829-4933, to get an EIN. Internal Revenue Service customer service representatives are available to answer calls Monday through Friday, from 7:30 a.m. to 5:30 p.m. customer's local time.

Taxpayers can fax EIN requests seven days a week/24 hours a day by dialing the fax number to one of three IRS Campus' that accept applications. The instructions on the newly revised Form SS-4, Application for Employer ID Number, indicate which IRS Campus is assigned to their specific state. Detailed information and an electronic SS-4 can be found at the IRS Small Business/Self Employed Community Web site at: <http://www.irs.gov/businesses/small/index.html>, click on New Businesses. Faxed applications are processed in four days. The IRS Campus' accepting faxed applications are:

Holtsville, NY 631-447-8960
Cincinnati, OH 859-669-5760
Philadelphia, PA 215-516-3990

IRS accepts third party Form SS-4's. Tax practitioners complete the new "Third Party Designee" section on their client's behalf by obtaining the client's signature on Form SS-4. IRS no longer requires that practitioners file a Form 2848, Power of Attorney or Form 8821, Tax Information Authorization to get an EIN for their clients.

FEDERAL SELF-EMPLOYMENT TAX

Everyone must pay Social Security and Medicare coverage. If you are self-employed, your contributions are made through the self-employment tax.

The IRS has publications, counselors and workshops available to help you sort it out. For more information, contact the IRS at 800-829-1040.

BUSINESS TAX INFORMATION

If you plan to hire employees you are also required to obtain a Federal Employee Identification Number from the IRS. To obtain the registration form and reference documents, contact the IRS at 800-829-1040 or visit their website: <http://www.irs.gov/businesses/small/index.html> for complete information.

Taxpayer Assistance

For specific tax questions, contact the IRS Business and Specialty Tax Line at 800-829-

4933. Some questions can be answered at a local IRS office. A list of offices in Michigan can be found at www.irs.gov/localcontacts/. IRS also has a Web site geared towards small business owners; the address to the Small Business/Self-Employed Web site is www.irs.gov/businesses/small/index.html. The Web site provides answers to often asked questions, tax tips, a tax calendar and a Virtual Small Business Workshop. The site also includes a schedule of local workshops.

Stakeholder Liaison Field (SL-Field) is a part of the Small Business/Self-Employed operating division of the IRS. SL-Field works



Straight Talk For Business Owners

LONG TERM • LOW INTEREST
BUSINESS FINANCING
FOR BUILDINGS AND EQUIPMENT

Oakland County Business Finance Corporation and Economic Development Corporation have over 27 years experience helping hundreds of businesses grow.

They can help you too!



CALL 248-858-0765

with small business organizations, including the SBA, to provide information to small business owners concerning their responsibilities for filing, reporting and paying federal taxes. SL -Field also works with the business organizations to identify key issues concerning small business and the IRS. See the IRS small business Web site at www.irs.gov/businesses/small/index.html for information on events taking place in Michigan.

Michigan Taxes

In Michigan, businesses may register for taxes by filling out Form 518 "Registration for Michigan Taxes." This form allows a business to register for sales, use or withholding taxes, the single business tax, motor fuel or tobacco products tax. To obtain a form, call the Michigan Department of Treasury at 800-367-6263 or 517-373-3200 or visit: www.michigan.gov/treasury.

Sales Tax - Anyone who engages in retail sales of tangible personal property from a Michigan location needs a sales tax license. The Michigan sales tax is currently 6 percent of sales receipts. All businesses liable for sales tax should file a license application with the Sales, Use and Withholding Division of the Michigan Department of Treasury. Contact 800-367-6263 or 517-636-4730 an application.

Michigan Business Tax - For more information on the Michigan Business Tax, contact the Michigan Department of Treasury at: www.michigan.gov/treasury, click on Taxes and then click Michigan Business Tax or call 517-636-4657.

SALES TAX EXEMPTION CERTIFICATE

If you plan to sell products, you will need a Sales Tax Exemption Certificate. It allows you to purchase inventory, or materials, which will become part of the product you sell, from suppliers without paying taxes. It requires you to charge sales tax to your customers, which you are responsible for remitting to the state. You will have to pay penalties if it is found that you should have been taxing your products and now owe back taxes to the state. For information on sales tax issues, visit your state's Web page.

FEDERAL INCOME TAX

Like the state income tax, the method of paying federal income taxes depends upon your legal form of business. The following procedures must be considered:

Sole Proprietorship: You must file IRS Federal Form Schedule C along with your personal Federal Income Tax return (Form 1040) and any other applicable forms pertaining to gains or losses in your business activity.

Partnership: You must file a Federal Partnership return (Form 1065). This is merely informational to show gross and net earnings of profit and loss. Also, each partner must report his share of partnership earnings on his individual Form 1040 based on the information from the K-1 filed with the Form 1065.

Corporation: You must file a Federal Corporation Income Tax (Form 1120). You will also be required to report our earning from the corporation including salary and other income such as dividends on your personal federal income tax return (Form 1040).

FEDERAL PAYROLL TAX

Federal Withholding Tax: Any business employing a person must register with the IRS and acquire an EIN and pay federal withholding tax at least quarterly. File Form SS-4 with IRS to obtain number and required tax forms. Call 800-829-3676 or 800-829-1040 if you have questions.

All employers must register with the Michigan Unemployment Insurance Agency even if the business is not liable. For a Michigan Employer Handbook, send a check or money order for \$15 to UIA Handbook, Cadillac Place, 3024 W. Grand Blvd., Ste. 13-100, Detroit, MI 48202; Call 800-638-3994 or check the Web site at:

www.michigan.gov/uia.
Internal Revenue Service - IRS
www.irs.gov

Michigan Unemployment Tax

800-638-3994
www.michigan.gov/uia

Michigan Department of Treasury

800-367-6263
www.michigan.gov/treasury

SOCIAL SECURITY CARDS

All employees must have a social security card. It must be signed by its owner, and you should always ask to see and personally record the social security number. Failure to do so may cause your employee to lose benefits and considerable trouble for yourself in back tracking to uncover the error.

Each pay day, your employees must receive a statement from you telling them what deductions were made and how many dollars were taken out for each legal purpose. This

can be on the check as a detachable portion or in the form of an envelope with the items printed and spaces for dollar deductions to be filled in. No deductions may be made by any employer for any reason unless the employee has previously signed a paper authorizing the deduction. There are no exceptions.

EMPLOYEE CONSIDERATIONS

Taxes

If you have any employees, including officers of a corporation but not the sole proprietor or partners, you must make periodic payments, and/or file quarterly reports about payroll taxes and other mandatory deductions. You may contact these government agencies for information, assistance and forms.

Social Security Administration

800-772-1213
<http://www.ssa.gov>

Federal Withholding

U.S. Internal Revenue Service
800-829-1040
<http://www.irs.gov>

Social Security's Business Services Online

The Social Security Administration now provides free electronic services online at www.socialsecurity.gov/employer/. Once registered for Business Services Online, business owners or their authorized representative can:

- file W-2s online, and
- verify Social Security Numbers through the Social Security Number Verification Service, which can be used for all employees prior to preparing and submitting Forms W-2.

Employee Insurance

If you hire employees you may be required to provide unemployment or workers' compensation insurance.

WORKPLACE PROGRAM

Americans with Disabilities (ADA): For assistance or clarification with the ADA, call 800-669-3362 or visit them at: <http://www.ada.gov>.

USCIS

The Federal Immigration Reform and Control Act of 1986 requires employers to verify employment eligibility of new employees. The law obligates an employer to process Employment Eligibility Verification

Form I-9. The U.S. Citizenship and Immigration Services Office of Business Liaison offers a selection of information bulletins and live assistance through the Employer Hotline. For forms call 800-870-3676, for the Employer Hotline call 800-357-2099.

Worker's Compensation

Workers' compensation is the responsibility of the employer. Benefits are paid either directly by the employer or through an insurance company. All employers that regularly employ three or more part-time employees at one time, or employ one or more persons for at least 35-hours per week for at least 13-weeks during the preceding 52-weeks, are required to have workers' compensation insurance.

There is a publication available to help business owners understand Michigan's workers' compensation system, the Workers' Compensation Guide. To obtain a copy of this publication, contact the Michigan Economic Development Corporation at 888-522-0103 or check its Web site at: <http://ref.michigan.org/medc/services/workercomp/index.asp>.

New Hire Reporting

A provision of the Federal Welfare Reform Act requires employers to report to the Michigan Department of Treasury basic information on all newly hired employees within 20 days of hiring. For further information or to obtain forms, contact the Michigan New Hire Operations Center at 800-524-9846 or visit its Web site at: www.mi-newhire.com.

SAFETY & HEALTH REGULATIONS

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees. The Occupational Safety and Health Administration outlines specific health and safety standards adopted by the U.S. Department of Labor.

Use of hazardous substances in businesses is highly regulated and there are heavy fines for non-compliance. For information contact the Michigan OSHA at 517-322-1814 or visit them on the Web at: www.michigan.gov/dleg and click on MIOSHA in the left column.



BUILDING CODES, PERMITS AND ZONING

It is important to consider zoning regulations when choosing a site for your business. You may not be permitted to conduct business out of your home or engage in industrial activity in a retail district. Contact the business license office in the city or town where the business is located.

BAR CODING

GSI US™ (not a government agency) provides a unique company number to create bar codes (including UPCs) for your products. Many stores require bar coding on packaged products. Many industrial and manufacturing companies also use bar coding to identify items they receive and ship. GSI US, formerly the Uniform Code Council, Inc., provides tools and assistance to help you meet these requirements. For information, visit www.gsius.org/pc. For additional questions, contact:

GSI US

7887 Washington Village Dr., Ste. 300
Dayton, OH 45459-8605
937-435-3870

Federal Registration of Trademarks and copyrights

Trademarks or service marks are words, phrases, symbols, designs or combinations that identify and distinguish the source of goods. Trademarks may be registered at both the state and federal level. To register a federal trademark, contact:

Patent and Trademark Office:

P.O. Box 1450
Alexandria, VA 22313-1450
800-786-9199
<http://www.uspto.gov/>

Trademark Information Hotline

703-308-9000

State Registration of a Trademark

Trademarks and service marks may be registered in a state. For filing fees or more information about applications for registration of trademark or service mark contact the:

Corporate Division

Bureau of Commercial Services
Department of Energy, Labor & Economic Growth
517-241-6470

Caution: Federally registered trademarks may conflict with and supersede state registered business and product names.

Patents

A patent is the grant of a property right to the inventor by the U.S. Patent and Trademark Office. It provides the owner with the right to exclude others from making, using, offering for sale or selling the patented item in the United States.

Additional information is provided in the publications, General Information Concerning Patents and other publications distributed through the U.S. Patent and Trademark Office. For more information, contact the:

U.S. Patent and Trademark Office

800-786-9199 • <http://www.uspto.gov>

Copyrights

Copyrights protect original works of authorship including literary, dramatic, musical and artistic, and certain other intellectual works. Copyright does not protect facts, ideas and systems, although it may protect the way these things are expressed. For general information contact:

U.S. Copyright Office

U.S. Library of Congress
James Madison Memorial Building
Washington, DC 20559
202-707-9100 - Order Line
202-707-3000 - Information Line
www.copyright.gov

Accounting Assistance

To find an accountant in your area, check with the Michigan State Board of Accountancy 517-241-9288 or visit the Michigan Association of CPA's Web site at: www.michcpa.org.

Legal Assistance

For information on hiring an attorney or for assistance in locating an attorney with business experience, contact the State Bar of Michigan lawyer referrals service 800-968-1442 or visit: www.michbar.org.



Franchises

= Opportunity for Many Entrepreneurs

Franchising thrives in the United States today because it benefits both the franchisee and franchisor. Many start-up companies are failures. Most small businesses fail because of weak management, and studies have shown that 90% of new businesses fail within 10 years. But franchisees benefit from a franchisor's managerial expertise.

In turn, franchisors are able to achieve rapid growth either locally, regionally or nationally. The sector's impact on the U.S. economy alone was recently determined to exceed \$1.5 trillion - nearly 10% of the nation's private-sector economy - and the source of jobs for more than 18 million Americans, according to the International Franchise Association.

The perception of lower business risks that come along with an established franchise brand name has been the traditional draw for entrepreneurs. Franchisees are discovering that brand awareness is easier to attain when franchisors pool marketing resources and present the franchise as a unified front. Plus, franchisors often have valuable input regarding market research and can provide suggested locations for the business.

Franchising is also providing more opportunity for women and minorities.

The reasons are many. Risk-averse mindsets, a desire to break through a glass ceiling, and the response to mass corporate layoffs over the past two decades

franmarket.com
Where the Franchise World Connects

are prime attraction factors. At the same time, the franchising industry is reaching out to women and minorities more aggressively than ever before with organizations like the International Franchise Association's (IFA) Minorities in Franchising Committee and Diversity Institute and the Service Corps of Retired Executives offers a new Web site for women (www.score.org/women).

Do you have what it takes?

One of the main advantages of buying a franchise is the support system that comes with it. But with that being said, it doesn't mean you don't have to work to become successful. Becoming a successful franchisee requires more than giving your money to a franchise system.

How do you know if you're fit to be a franchise owner? Following are some things to consider:

- Make sure you know what it means to be in business for yourself. You don't have the luxury of knowing you're going to have a regular paycheck coming in, but you will now be in charge of your own destiny.
- Have the support of your family. This is a major decision in your life. It affects your family.
- Can you visualize yourself running your own business? Many franchise candidates come from corporate cultures where many duties have been delegated. Those responsibilities are now yours.
- Are you willing to work more than 40 hours a week?
- Can you follow a system or are you one who likes to blaze your own trail? If you're not willing to follow the franchisor's systems, franchising is not right for you.
- Think out of the box. Think about where you're going to be five years from now.
- Are you a good salesperson? If you are not comfortable with cold calling and selling your service or product, chances are this isn't for you. Or you need to be prepared to hire an employee solely for that purpose.

What kind of franchise will you choose?

As you might imagine, there's a seemingly endless array of franchises. Four of the fastest-growing franchise sectors are health and fitness, commercial cleaning, accounting and tax preparation, and quick-service restaurants. Also keep an eye on the pet services, home health care services and child development sectors.



And opportunity abounds in business-to-business services franchising. The U.S. Small Business Administration (SBA) reports an average of more than 600,000 new small businesses have launched each year since 2001. In fact, small businesses represent 99.7% of all employer firms. There are more than 25 million small businesses in the United States - and 53% are home-based business owners.

Some advantages of B2B franchising include better hours - sometimes - the opportunity to work-at-home, fewer competitors, a lower franchise fee, and a greater opportunity to start small.

The type of franchise you select should match your interests and expertise. Don't buy a franchise simply based on the projected bottom line. You're much better off doing something you love and letting the money come to you.

Do your homework before choosing a franchise - and then do some more. The Web is the ultimate resource for identifying and researching franchise opportunities. Visit sites like www.franmarket.com,

www.franchise.org, and www.franchisegator.com. Also, talk to owners/managers in your target franchises. Get the lowdown from them before contacting the franchise company.

And before you do contact the franchise company, keep in mind that you are being evaluated also. There are a few franchisee attributes that are pretty much universal, according to consultants Michael H. Seid and Kay Marie Ainsley of Michael H. Seid and Associates LLC:

- Franchisors want someone whom they believe will follow their system. You will not win any points by suggesting that you have a better idea.
- Franchisors want someone who will represent their brand in a positive light. Unless the franchisor has told you that they are business casual, wear a business suit. If the franchisor has indicated that they are business casual, put the emphasis on "business."
- Some knowledge of the industry in which the franchisor operates is important. Do your homework so that you can comment on the franchisor's business, the competition, and consumer demand for the product or service.
- Knowledge of the community in which you wish to locate your business is important.
- Franchisors have training programs to prepare a new franchisee to operate their concept, but many rely on the franchisee having some basic business skills.
- All franchisors want financially qualified franchisees. Be prepared to explain where you will get your initial investment.

Questions to ask the franchisor

There are several things you should expect from any franchisor. It's important that your expectations be reasonable. At the same time, it's just as important that you not settle for less than you should.

- A franchisee should expect a franchisor to have a successful, proven system that can be easily transferred from the franchisor to the franchisee.
- You should expect the franchisor to spend the time to answer your research questions before you buy.
- You should expect that your franchisor is someone you

feel you will be compatible with. You should like your franchisor.

- You should make sure your franchisor and your franchise agreements are fair.
- You should expect your franchisor to help you find a location that is suitable to your needs.
- You should expect your franchisor to provide you with quality training.
- Your franchisor should visit you and help you at your location after you have opened for business.
- You should expect your franchisor to have the name recognition and/or growth possibilities that you feel are needed to give you an advantage in implementing your personal business plan.
- You should expect your franchisor to be future-oriented. It's not enough to have a system that works well today and has succeeded up until now.
- You should expect your franchisor to be relatively litigation free. Be sure that any litigation against the franchisor would not affect your ability to do business.
- Expect your franchisor to use technology and communications to keep you ahead of the competition.

How will you pay for this?

Total initial fee estimates for a single franchise unit, for example, can range from a minimum-median of less than \$5,000 for some sports and recreation franchises to a maximum-median of nearly \$6.5 million for hotels, according to an IFA Educational Foundation study. Fast-food concepts can begin at less than \$180,000 and reach nearly \$3 million.

Undercapitalization is the main reason businesses fail. If you aren't sitting on hoards of cash, then you've got two options: traditional and non-traditional financing.



Traditional financing sources include banks and the SBA. See more about these options in the Finance Section of this magazine.

A risk-free option, however, is to start the business without borrowing any money at all.

“The best way to start and operate a business is with cash. Leveraging your business is asking for trouble. If a big customer doesn’t pay on time, you lose a needed contract, or your industry slumps, you are in big trouble if you aren’t liquid,” says Dave Ramsey - anti-debt guru, host of a nationwide radio show and a spot on the Fox Business Network, and founder of Financial Peace University.

Get it Going!

Now you’re ready to get down to business - so to speak - and that involves the creation of a business plan.

While you should provide a brief description of the business and your own professional background, this doesn’t mean that you are required to bombard potential lenders with stacks of paper detailing the history of the franchise operation, how qualified you are to run the business, or how exceptional the franchise concept is.

Ultimately, lenders are interested in reading a clear, concise accounting of the cost of doing your particular business and what sales you expect to achieve. The answers lie in the numbers.

Jim Anderson, a loan specialist at SCORE, a non-profit affiliate of the SBA in Santa Ana, CA, preaches simplicity.

“It is best not to make the material too fancy, just understandable, businesslike and complete,” he says. “Does the borrower know who his customers will be, does he know the competition, are his financials credible and does he or she present

themselves like professional business people?”

Sloppiness, therefore, is not an option.

Stay Connected

Once you get the business under way, it’s important to stay connected with people. The demands of running your own business can be draining, and you need people to keep you motivated and on top of your game.

In addition to family and friends, it’s vital to maintain relationships with other business people through networking sites like www.franmarket.com, SCORE and Small Business Development Center offices, seminars and Webinars, and local business groups like the chamber of commerce.

These relationships will provide an outlet for frustration, input on best practices and, perhaps, a lead or two that will make you some money.



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FINANCING

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Financing Options to Start or Grow Your Business



Many entrepreneurs need financial resources to start or expand a small business themselves and must combine what they have with other sources of financing. These sources can include family and friends, venture-capital financing, and business loans.

This section of the Small Business Resource guide discusses SBA's primary business loan and equity financing programs. These are: the 7(a) Loan Program, the Certified Development Company or 504 Loan Program, the MicroLoan Program and the Small Business Investment Company Program. The distinguishing features for these programs are the total dollar amount that can be borrowed, the type of lenders who can provide these loans, the uses for the loan proceeds, and the terms placed on the borrower.

Note: The SBA does not offer grants to individual business owners to start or grow a business. The only grants the SBA is authorized to provide are for entities to provide businesses management technical assistance to other businesses.

When you seek a business loan familiarize yourself with the SBA's business loan programs to see if they may be a viable option. The three principal players in each of these programs are — the small business, the lender and the SBA. SBA guarantees a portion of the loan. The business should have its business plan prepared before it applies

for a loan. This plan should explain what resources will be needed to accomplish the desired business purpose including the cost of everything, the applicants' contribution, use of loan proceeds, collateral, and most important, an explanation of how the business will be able to repay the loan in a timely manner.

The lender will analyze the application to see if it meets the lender's criteria as well as SBA requirements. SBA will look to the lender to do much, if not all, of the analysis before it provides its guaranty on the lender's loan or provides the microlenders with funds to re-lend to the business. The SBA's business loan programs provide a key source of financing for viable small businesses that have real potential, but cannot qualify for loans from traditional sources.

7(A) LOAN PROGRAM

The 7(a) Loan Program is the SBA's primary business loan program. It is the agency's most used non-disaster financial assistance program because of its flexibility in loan structure, variety of loan proceeds uses, and availability. This program has broad eligibility requirements and credit criteria to accommodate a wide range of financing needs.

The business loans that SBA guarantees do not come from the agency, but rather from banks and other lenders. The loans are funded by these organizations and they make the decisions to approve or not approve the requests.

The SBA guaranty reduces the lender's risk of borrower non-payment. If the borrower defaults, the lender can request SBA to pay the lender that percentage of the outstanding balance guaranteed by SBA. This allows the lender to recover a portion from SBA of what it lent if the borrower can't make the payments. The borrower is still obligated for the full amount.

To qualify for an SBA guaranty, a small business must meet the lender's criteria and the 7(a) requirements. In addition the lender must certify that it would not provide this loan under the proposed terms and conditions unless it can obtain an SBA guaranty. If the SBA is going to provide a lender with a guaranty, the lender must be eligible creditworthy and the loan structured under conditions acceptable to SBA.

PERCENTAGE OF GUARANTIES

The SBA only guarantees a portion of any particular loan so each loan will also have an unguaranteed portion giving the lender a certain amount of exposure and risk. The percentage of guaranty depends on either the dollar amount or the method by which the lender obtains its guaranty. For 7(a) loans of \$150,000 or less the SBA will guaranty as much as 85 percent and for loans over \$150,000 the SBA can provide a guaranty of up to 75 percent. The maximum loan amount is \$2 million and the maximum guaranty amount to any one business is \$1.5 million. The one exception is when a business needs both working capital and fixed assets to promote exporting in which case the SBA can provide a maximum guaranty of \$1.75 million.

Loans made under the SBAExpress program, which is discussed subsequently, have a 50 percent guaranty.

INTEREST RATES AND FEES

Both fixed and variable interest rates are available. Rates are set based on the lowest prime rate* and maturity. For loans with maturities of less than seven years the rate will be fixed or start at prime plus no more than 2.25 percent. For loans with maturities of seven years or more the rate can be as

high as prime plus 2.75 percent. For loans under \$50,000 and for loans processed through SBAExpress, rates are permitted to be higher.

The fee is based on the size of the guaranty percentage associated with the SBA loan whether the loan is short-term (12 months or less) or long-term (over 12 months). You can finance the fee.

On any loan with a maturity of one year or less, the fee is just 0.25 percent of the guaranteed portion of the loan. On loans with maturities of more than one year, the guaranty fee is 2 percent of the SBA guaranteed portion on loans up to \$150,000; 3 percent on loans over \$150,000 but not more than \$700,000; and 3.5 percent on loans over \$700,000. There is also an additional fee of 0.25 percent on any guaranteed portion over \$1 million.

*** All references to the prime rate refer to the lowest prime rate as published in the Wall Street Journal on the day the application is received by the SBA.**

7(A) LOAN MATURITIES

SBA loan programs are generally intended to encourage longer term small business financing, but actual loan maturities are based on the ability to repay, the purpose of the loan proceeds and the useful life of the assets financed. However, maximum loan maturities have been established: 25 years for real estate; up to 10 years for equipment (depending on the useful life of the equipment); and generally up to 10 years for working capital. Short-term loans and revolving lines of credit are also available through the SBA to help small businesses meet their short-term and cyclical working capital needs.

STRUCTURE

Most loans are repaid with monthly payments of principal and interest. For fixed-rate loans the payments stay the same whereas for variable rate loans the lender can re-establish the payment amount when the interest rates change or at other intervals as negotiated with the borrower. Applicants can request that the lender establish the loan with interest-only payments during the start-up and expansion phases (when eligible) to allow the business time to generate the income to start repaying the loan. There are no balloon payments or call provisions allowed on any 7(a) loan. The lender may not charge a prepayment penalty if the loan is paid off before maturity, but the SBA will

charge the borrower a prepayment fee if the loan has a maturity of 15 or more years and is pre-paid during the first three years.

COLLATERAL

The SBA expects every loan to be fully secured, however, in most cases, the SBA will not decline a request to guaranty a loan if the only unfavorable factor is insufficient collateral, if all available collateral is offered. What these two policies mean is that every SBA loan is to be secured by all available assets (both business and personal) until the recovery value equals the loan amount or until all assets have been pledged to the extent that they are reasonably available, to adequately secure the loan. Personal guaranties are required from all the principal owners of the business. Liens on personal assets of the principals may be required.

ELIGIBILITY

7(a) loan eligibility is based on four different factors. The first is size, as all loan recipients must be classified as “small” by SBA. The basic size standards are outlined below. A more in-depth listing of standards can be found at: <http://www.sba.gov/>

[services/contractingopportunities/index.html](#) then select “Size Standards” from the “Contracting Opportunities” menu in the right hand column.

SBA Size Standards:

- Manufacturing from 500 to 1,500 employees
- Wholesaling — 100 employees
- Services from \$4.5 million to \$32.5 million in average annual receipts
- Retailing from \$6.5 million to \$26.5 million
- General construction from \$6.5 million to \$32 million
- Agriculture from \$750,000 to \$16.5 million in average annual receipts

Nature of Business

The second eligibility factor is based on the nature of the business and the process by which it generates income or the customers it serves. The SBA has general prohibitions against providing financial assistance to businesses involved in such activities as lending, speculating, passive investment, pyramid sales, loan packaging, presenting live performances of a prurient sexual nature, businesses involved in gambling and any illegal activity.

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The SBA will also not support non-profit businesses, private clubs that limit membership on a basis other than capacity, businesses that promote a religion, businesses owned by individuals incarcerated or on probation or parole, municipalities, and situations where the business or its owners previously failed to repay a federal loan or federally assisted financing.

Use of Proceeds

The third eligibility factor is what the loan proceeds can and cannot be used for. 7(a) proceeds can be used to: purchase machinery, equipment, fixtures, supplies, leasehold improvements, as well as land and/or buildings that will be occupied by the business borrower.

Proceeds can also be used to:

- Expand or renovate facilities;
- Finance receivables and augment working capital;
- Finance seasonal lines of credit;
- Construct commercial buildings; and
- Refinance existing debt under certain conditions.

7(a) loan proceeds cannot be used (except for compensation for services rendered) for floor plan financing or to have funds for the purpose of making investments.

Miscellaneous Factors

The fourth factor involves a variety of requirements such as SBA's credit elsewhere test and utilization of personal assets requirements where the applicant business and its principal owners must use their own resources before getting a loan guaranteed by SBA. It also includes SBA's anti-discrimination rules and prohibitions on lending to agricultural enterprises because there are other agencies of the federal government with programs to fund such businesses.

However, some factors here are the SBA's most important eligibility rules, including:

- Every loan must be for a sound business purpose;
- There must be sufficient invested equity in the business so it can operate on a sound financial basis;
- There must be a potential for long-term success;
- The owners must be of good character and reputation; and
- All loans must be so sound as to reasonably assure repayment.

More can be found out about SBA's eligibility requirements at:

<http://www.sba.gov/services/> then select "Loan Eligibility" from the "Financial Assistance" list along the bottom.

What to Take to the Lender

Documentation requirements may vary; contact your lender for the information you must supply.

Common requirements include the following:

- Purpose of the loan.
- History of the business.
- Financial statements for three years (existing businesses).
- Schedule of term debts (existing businesses).
- Aging of accounts receivable and payable (existing businesses).
- Projected opening-day balance sheet (new businesses).
- Lease details.
- Amount of investment in the business by the owner(s).
- Projections of income, expenses and cash flow as well as the assumptions.
- Personal financial statements on the principal owners.
- Resume(s) of the principal owners and managers.

How the 7(a) Program Works

Applicants submit their loan application to a lender for the initial review. The lender will generally review the credit merits of the request before deciding if they will make the loan themselves or if they will need an SBA guaranty. If a guaranty is needed, the lender will also review eligibility, and the applicant should be prepared to complete some additional documents before the lender sends its request for guaranty to the SBA.

In guaranteeing the loan, the SBA assures the lender that, in the event the borrower does not repay the loan, the government will reimburse the lending institution for a portion of its loss. By providing this guaranty, the SBA is able to help tens of thousands of small businesses every year get financing they would not otherwise obtain.

After SBA approval, the lender is notified that its loan has been guaranteed. The lender then will work with the applicant to make sure the terms and conditions are met before closing the loan, disbursing the funds, and assuming responsibility for collection and general servicing. The borrower makes monthly loan payments directly to the lender. As with any loan, the borrower is responsible for repaying the full amount of the loan in a timely manner.

What the SBA Looks for:

- Ability to repay the loan on time from the projected operating cash flow.
- Owners and operators who are of good character.
- Feasible business plan.
- Management expertise and commitment necessary for success.
- Sufficient funds, including the SBA

SUCCESS
STORY

SBA Proudly Helps Patriot Get Loan!

PATRIOT EXPRESS
YOUR KEY TO BUSINESS SUCCESS

Dwayne and Lisa Croff's love for books is very personal and they hope to share that relationship with their customers in their newly opened discount book store, Literarium. Located at the Horizon Outlet Mall just outside Port Huron, the store is a reflection of the couple's talents and experiences. "We wanted a place where we'd love to come and shop and that's the environment we've created here," says Dwayne. Indeed, the atmosphere is more downtown chic than outlet mall, with dark flooring, soft lighting, and Zen like music playing in the background. Throughout the store is evidence of Lisa's service in the military where she trained and served as a combat photographer for the Air Force for six years. Titles such as "A Day in the Life of the U.S. Armed Forces" are proudly displayed among more contemporary subjects.

Both Dwayne and Lisa work in creative fields. Dwayne earned a degree in fine arts and has operated Sight Creative Advertising Agency for five years. Lisa is a videographer for Fox 2 News, one of only three females in the field in metro Detroit. She attended broadcasting school in the military where, she says, "I gained great experience and great benefits and my work at Fox 2 is a natural transition."

When they discovered that the former book outlet at the outlet mall was going out of business, the Croffs took a chance on opening an independent bookstore. They wrote their own business plan, and Lisa crunched numbers until she felt comfortable with the projections. And when it came time to finance their dream, Lisa's military service paid dividends again. She received a loan from Citizens First Bank under the newly launched SBA Patriot Express Program, which is targeted to the military community.

Donna Sears, Vice President at the bank says, "Dwayne and Lisa had a great business plan and because Lisa is a veteran, the Patriot Express program was a natural fit. The SBA provided the bank an 85% guaranty on the loan and we felt comfortable making the loan." Says Lisa, "I had read that Citizens First Bank was named the SBA Community Lender of the Year and they didn't disappoint. We're very pleased that the bank and SBA has given us this opportunity."

Richard Temkin, SBA District Director in Michigan says, "The SBA is committed to helping America's service men and women and we believe that Patriot Express goes directly to the needs of these America Patriots who have served their country."

guaranteed loan, to operate the business on a sound financial basis (for new businesses, this includes the resources to meet start-up expenses and the initial operating phase).

- Adequate equity invested in the business.
- Sufficient collateral to secure the loan or all available collateral if the loan cannot be fully secured.

SBAEXPRESS

SBAExpress is available to lenders as a way to obtain a guaranty on smaller loans up to \$350,000. The program authorizes selected experienced lenders to use mostly their own forms, analysis and procedures to process, service and liquidate SBA-guaranteed loans. The SBA guarantees up to 50 percent of an SBAExpress loan. Loans under \$25,000 do not require collateral. Like most 7(a) loans, maturities are usually five to seven years for working capital and up to 25 years for real estate or equipment. Revolving lines of credit are allowed for a maximum of seven years. For a list of lenders in your area, contact your local SBA office available at:

www.sba.gov/localresources/index.html

PATRIOT EXPRESS

The Patriot Express Initiative pilot loan initiative is for veterans and members of the military community wanting to establish or expand a small business. Eligible military community members include:

- Veterans
- Service-disabled veterans
- Active-duty service members eligible for the military's Transition Assistance Program
- Reservists and National Guard members
- Current spouses of any of the above, including a service member
- Widowed spouse of a service member or veteran who died during service or of a service-connected disability

The Patriot Express loan is offered by SBA's widest network of lenders nationwide and features our fastest turnaround time for loan approvals. Loans are available up to \$500,000 and qualify for SBA's maximum guaranty of 85 percent for loans of \$150,000 or less and 75 percent for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to take all available collateral.

The Patriot Express loan can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory or business-occupied real-estate purchases.

Patriot Express loans feature SBA's lowest interest rates for business loans, generally 2.25 percent to 4.75 percent over prime depending upon the size and maturity of the

loan. Your local SBA district office will have a listing of Patriot Express lenders in your area. More information is at:

<http://www.sba.gov/patriotexpress>.

COMMUNITYEXPRESS PILOT LOAN PROGRAM

The CommunityExpress Pilot Loan Program provides streamlined business financing and management and technical assistance to small businesses located in distressed or underserved markets. The CommunityExpress program is offered through hundreds of selected SBA lenders throughout the nation. Under

CommunityExpress, approved lenders may use streamlined and expedited loan review and approval procedures to process SBA-guaranteed loans. These lenders may thus use, to the maximum extent possible, their own loan analysis, loan procedures, and loan documentation to process SBA loans to \$250,000. However, borrowers must receive technical assistance to qualify for this program.

Special Purpose 7(a) Loan Programs

The 7(a) program is the most flexible of SBA's lending programs. The agency has created several variations to the basic 7(a)

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program to address the particular financing need of certain small businesses. These special purpose programs are not necessarily for all businesses but may be very applicable to some small businesses. They are generally governed by the same rules, regulations, fees, interest rates, etc. as the regular 7(a) loan guaranty. Lenders can advise you of any variations.

CAPLines

The CAPLines program is designed to help small businesses meet their short-term and cyclical working capital needs. There are five loan programs under the CAPLines umbrella. The programs can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts; finance the direct cost associated with commercial and residential construction; finance operating capital by obtaining advances against existing inventory and accounts receivable; and consolidate short-term debt. SBA provides up to an 85 percent guarantee. There are five distinct programs under the CAPLine umbrella:

- **The Contract Loan Program** is used to finance material and labor needs for a specific contract or contracts. Proceeds can be disbursed before the work begins. If used for one contract, it is generally not revolving; if used for more than one contract at a time, it can be revolving. The loan maturity is usually based on the length of the contract, but no more than five years. Payment from the contract award must be sent directly to the lender.
- **The Seasonal Line of Credit Program** is used to support buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory. The business must have a definite established seasonal pattern and thus must have been in business for a period of 12 months in order to establish that pattern. The loan does not revolve during the season but may be used over again after a "clean-up" period of 30 days. These also may have a maturity of up to five years. The business may not have another seasonal line of credit outstanding but may have other lines for non-seasonal working capital needs.
- **The Builders Line Program** Provides financing for small contractors or developers to construct or rehabilitate residential or commercial property. Loan maturity is generally three years but can be extended up to five years if necessary. Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. The purchase of the land can be included if it does not exceed 20 percent of the loan proceeds. Up to 5 percent of the proceeds can be used for physical improvements that benefit the property.

- **The Small Asset-Based Line** is a revolving line of credit used to support an increase in accounts receivable or inventory. The loan can be used for revolving lines up to \$200,000 to purchase inventory, pay direct labor or finance accounts receivable and is advanced against existing inventory or accounts receivable. Repayment comes from the collection of accounts receivable or sale of inventory. It does require periodic servicing and monitoring of the collateral for which the lender can charge up to two percent annually to the borrower. These lines are generally used by businesses providing credit to their customers.
- **The Standard Asset-Based Line** is similar to the Small Asset-Based Line, but for loan amounts over \$200,000. It does require stricter servicing and monitoring and the lender may pass these costs along to the borrower.

EXPORT TRADE FINANCING

Export Working Capital Program

www.sba.gov/aboutsba/sbaprograms/internationaltrade/index.html

The SBA's Export Working Capital Program assists lenders in meeting the needs of exporters seeking short-term export working capital. This program enables U.S. exporters to obtain loans to fund their direct export costs. The EWCP supports single transactions or revolving lines. The maximum dollar amount of an export line of credit under this program is \$2 million. SBA guarantees up to 90% of a loan amount or \$1.5 million, whichever is less. Loan maturities are generally for a term of 12 months. The guaranty can be reissued for an additional 12 months through an abbreviated application process. The guaranty fee the SBA charges is 0.25 percent of the guaranteed amount of the loan for the initial 12 months. The borrower negotiates the interest rate and all other fees with the lender. The program offers flexible terms, low fees and a quick processing time.

Eligibility of Exporter

You must have an operating history of at least one year – not necessarily in exporting. The SBA may waive this requirement if you have sufficient export trade experience or other managerial experience.

Eligible Buyers

The foreign buyer must be a creditworthy entity located in an acceptable foreign country, to both the lender and SBA.

Use of EWCP Proceeds:

- To acquire inventory for export or to be used to manufacture goods for export.
- To pay the manufacturing costs of goods for export.
- To purchase goods or services for export.
- To support Standby Letters of Credit related to export transactions.

- For pre-shipment working capital directly related to export orders.
- For post-shipment foreign accounts receivable financing.

Ineligible Use of Proceeds

- To support the applicant's domestic sales.
- To acquire fixed assets or capital goods for the applicant's business.
- To support a sale where the exporter is not taking title to the goods.
- To acquire, equip, or rent commercial space overseas.
- To serve as a Warranty Letter of Credit.

Collateral Requirements

- Collateral for the manufacturing sector typically consists of a first lien on all export-related inventory and export related accounts receivable.
- Collateral for the service sector typically consists of assignment of proceeds of export-related contracts or purchase orders and a first lien on export-related accounts receivable.
- Other collateral may be required.

How to Apply — A small business exporter seeking a guaranteed EWCP loan must apply to a lender.

SBA Ex-Im Bank Co-Guarantee

This is designed to provide small business exporters the ability to obtain larger export working capital loans through the Export Working Capital Program than SBA could support alone. This program enables U.S. exporters to obtain loans that facilitate the export of goods or services. Under this program, the total export working capital line, with a 90 percent guarantee, cannot exceed \$2 million. Loan maturities are generally for a term of 12 months. At the end of the 12-month maturity, a borrower may reapply for a new guarantee. The guarantee fee SBA charges is 0.25 percent of the guaranteed amount of the loan for the initial 12 months. The guarantee fee that Ex-Im Bank charges is 0.25 percent on the loan amount that is guaranteed by them. The borrower negotiates the interest rate and all other fees with the lender.

Eligibility of Exporter

The same as for the SBA EWCP Program.

Eligible Buyers

The foreign buyer must be a creditworthy entity located in an acceptable country in conformity with the Ex-Im Bank's Country Limitation Schedule.

Use of Proceeds

Same as the SBA EWCP.

Ineligible Use of Proceeds

- Goods or services with less than 50 percent U.S. content.
- To support the export of any Defense Articles or Defense Services.
- To support the applicant's domestic sales.
- To acquire fixed assets or capital goods for the applicant's business.
- To acquire, equip, or rent commercial space overseas.
- To serve as a Warranty Letter of Credit.

Collateral Requirements

Same as the SBA EWCP.

Discounted Credit Insurance Premiums

The Export-Import Bank of the United States and the SBA provide SBA export loan recipients with a 25 percent discount on export credit insurance premiums. Ex-Im Bank export credit insurance protects your company against nonpayment and enables you to sell on the competitive "Open account" terms. You can enter new markets and increase sales in existing markets and have the ability to match the credit terms offered by your foreign competitors. Ex-Im Bank provides up to 95 percent coverage for both commercial risks, for example buyer insolvency and default, and political risks, war, revolution, and the cancellation of an export or import license.

How to Apply

A small business exporter seeking a co-guaranteed loan must apply to a lender that is a participant in SBA's 7(a) Loan Guaranty Program. PLP and SBAExpress processing are not permitted. The lender must submit a completed Joint Application for Working Capital Guarantee and loan package to SBA. SBA evaluates and processes the application in accordance with SBA rules for its Export Working Capital program.

INTERNATIONAL TRADE LOAN PROGRAM

The program helps small businesses engaged or preparing to engage in international trade as well as small businesses adversely affected by competition from imports. This program allows for an increased maximum dollar amount of SBA guaranty outstanding to any one business (and affiliates) from \$1.5 million to \$1.75 million. In order to reach the \$1.75 million SBA guaranty ceiling, the borrower must have an international trade loan as well as an SBA working capital loan or line of credit. The international trade loan provides an SBA guarantee up to \$1.5 million of a term loan used for the acquisition, construction, renovation, modernization, improvement or expansion of long-term fixed assets or the refinancing of an existing loan used for these

same purposes. In addition a borrower may have a separate working capital loan (term or line of credit) with a maximum SBA guarantee of \$1.25 million. When combined, the maximum SBA guaranty outstanding to any one business is \$1.75 million. The SBA guarantee fee and interest rates are the same as for any standard 7(a) loans.

Eligibility of Exporter

- Applicants must meet the same eligibility requirements for a 7(a) loan.
- Applicant must establish the loan will significantly expand or develop an export market, or the applicant has been adversely affected by import competition, and, in

addition the applicant must show that upgrading equipment or facilities will improve its competitive position.

- If eligibility is based on entering or expanding export sales, the applicant must submit a one or two page international business plan, including sufficient information to reasonably support the likelihood of expanded export sales.

Use of Proceeds

- For facilities or equipment, including purchasing land and building(s); building new facilities; renovating, improving, or expanding existing facilities; purchasing or reconditioning machinery, equipment and fixtures; and making other improvements

Does your business need ...

- development of a business plan
- commercialization of a new product
- assistance in determining new markets
- help determining your company's future
- comparison of your financials to industry standards



The Michigan Small Business & Technology Development Center™ (MI-SBTDC™) provides your company with low or no-cost consulting services. The MI-SBTDC™ provides assistance if your company is a new venture, existing business, growing, technology-based or innovation company.

Contact your MI-SBTDC™ office for more information
www.misbtdc.org - 616.331.7480



Funded in part through a cooperative agreement with the U.S. Small Business Administration.



that will be used within the United States for producing goods or services.

Collateral Requirements – Collateral requirements are the same as regular 7(a) loans.

- **How to Apply** - A small business exporter seeking a guaranteed loan must apply to an SBA participating lender. Call your local SBA District Office for a list of participating lenders.

Export Express

The Export Express program is designed to help SBA meet the export financing needs of small businesses. It is a subprogram of SBAExpress and is therefore subject to the same loan processing, making, closing, servicing, and liquidation requirements as well as the same maturity terms, interest rates, and applicable fees as for other SBA loans except as noted below. The total Export Express loan cannot exceed \$250,000. SBA guarantees 85 percent for loans of \$150,000 and under and 75 percent for loans over \$150,000 to \$250,000. SBA allows participating lenders to make their own credit decisions. SBA provides a quick processing time, less than 36 hours.

Eligible Buyers – The foreign buyer must be a creditworthy entity located in an acceptable country.

Use of Proceeds

- Finance standby letters of credit used for either bid or performance bonds;
- Finance export development activities such as export marketing and promotional activities, participation in foreign trade shows, translation of product literature for foreign markets, and other activities designed to initiate or expand the applicant's export of its products/services from the U.S.;
- Provide transaction-specific financing for overseas orders;
- Provide revolving lines of credit for export purposes, the term of which must not exceed seven years. In some instances, as a normal course of business, the borrower may use portions of revolving lines of credit for domestic purposes, but no less than 70 percent of the revolver to be used for export related purposes;
- Provide term loans and other financing to enable small business concerns, including small business export trading companies to develop foreign markets; and
- Acquire, construct, renovate, modernize, improve or expand production facilities or equipment to be used in the U.S. in the production of goods or services to be exported from the U.S.

Ineligible Use of Proceeds

Proceeds may not be used to finance overseas operations, other than those strictly associated with the marketing and/or distribution of products/services exported from the U.S.

How to Apply

The application process is the same for the SBAExpress, except the applicant must demonstrate that loan proceeds will enable it to enter a new export market or expand an existing export market. The applicant must submit to the lender a plan that includes projected export sales for the upcoming year as well as the dollar volume of export sales for the previous year.

Community Adjustment and Investment Program

The Community Adjustment & Investment Program helps communities that suffered job losses due to changing trade patterns following the North American Free Trade Agreement. The North American Development Bank has partnered with the SBA and the U.S. Departments of Agriculture and the Treasury to make credit available to businesses in affected communities to help create or retain jobs.

SBA's non-7(a) Loan Programs

In addition to the 7(a) Loan Program SBA has four other non-disaster assistance programs which can help small businesses gain access to capital and bonding.

CERTIFIED DEVELOPMENT COMPANY LOANS (504 LOAN PROGRAM)

The 504 Loan Program is an economic development program that supports American small business growth and helps communities through business expansion and job creation. This SBA program provides long-term, fixed-rate, subordinate mortgage financing for acquisition and/or renovation of capital assets including land, buildings and equipment. Most for-profit small businesses are eligible for this program. The types of businesses excluded from 7(a) loans (listed previously) are also excluded from the 504 loan program.

Loans are provided through Certified Development Companies. CDCs work with banks and other lenders to make loans in first position on reasonable terms, helping lenders retain growing customers and provide Community Redevelopment Act credit.

The SBA 504 loan is distinguished from the SBA 7(a) loan program in these ways:

The maximum debenture is:

- \$1.5 million for businesses that create a certain number of jobs or improve the economy of the locality;
 - \$2 million for businesses that meet a specific public policy goal, including veterans; and
 - \$4 million for manufacturers.
- Eligible project costs are limited to long-term, fixed assets such as land and building

(occupied by the borrower) and substantial machinery and equipment. Working capital is not an eligible use of proceeds.

- Most borrowers are required to make an injection (borrower contribution) of just 10 percent which allows the business to conserve valuable operating capital. A further injection of 5 percent is needed if the business is a start-up or new (less than 2 years old) and a further injection of 5 percent is also required if the primary collateral will be a single purpose building.
- Two-tiered project financing: a lender finances approximately 50 percent of the project cost and receives a first lien on the project assets (but no SBA guaranty); A CDC (backed by a 100% SBA-guaranteed debenture) finances up to 40% of the project costs secured with a junior lien. The borrower provides the balance of the project costs.
- Fixed interest rate on SBA loan. SBA guarantees the debenture 100 percent. Debentures are sold in pools monthly to private investors. This low, fixed rate is then passed on to the borrower and establishes the basis for the loan rate. A recent history of debenture rates may be found at www.nadco.org.
- All project-related costs can be financed, including acquisition (land and building, land and construction of building, renovations, machinery and equipment) and soft costs, such as title insurance and appraisals. Some closing costs may be financed.
- Collateral is typically a subordinate lien on the assets financed; allows other assets to be free of liens and available to secure other needed financing.
- Long-term real estate loans are up to 20-year term, heavy equipment 10 or 20-year term and are self-amortizing.

Businesses that receive 504 loans are:

- Small — net worth under \$7.5 million, net profit after taxes under \$2.5 million, or meet other SBA size standards.
- Organized for-profit.
- Most types of business — retail, service, wholesale or manufacturing.

The SBA's 504 Certified Development Companies serve their communities by financing business expansion needs. Their professional staff works directly with borrowers to tailor a financing package that meets program guidelines and the credit capacity of the borrower's business. For more information, go to www.sba.gov/services, then choose "SBA Loans" from the links in the right-hand column. From there, click on "CDC/504 Program."

For more information, contact the Michigan District Office at 313-226-6075 or contact the nearest CDC as listed: [Economic Development Foundation-Certified](http://www.EconomicDevelopmentFoundation-Certified)

1345 Monroe N.W., Ste. 132
Grand Rapids, MI 49505
888-330-1776 • 616-458-5736 Fax
www.growmichigan.com/

Lakeshore 504 – South Office

272 E. 8th St.
Holland, MI 49423
616-392-9633 • 616-392-7379 Fax
www.lakeshore504.org/

Lakeshore 504 – North Office

One S. Harbor Dr.
Grand Haven, MI 49417
616-846-3153 • 616-842-0379 Fax
www.lakeshore504.org/

Metropolitan Growth and Development Corp.

600 Randolph St., 3rd Fl.
Detroit, MI 48226
313-224-0820 • 313-224-8458 Fax
www.waynecounty.com/jed/progs/sba.htm

Michigan Certified Development Corp.

2311 E. Stadium, Ste. 212
Ann Arbor, MI 48104
734-660-8187
www.michigancdc.org

Michigan Certified Development Corp.

Northern Michigan
Cadillac, MI
231-878-1302
www.michigancdc.org

Michigan Certified Development Corp.

3737 Coolidge Rd., Ste. 200
East Lansing, MI 48823
517-886-6612 • 517-886-6619 Fax
www.michigancdc.org

Michigan Certified Development Corp.

Kalamazoo, MI 49007
269-492-3140
www.michigancdc.org

Michigan Certified Development Corp.

West Michigan
Rockford, MI
616-560-5486
www.michigancdc.org

Michigan Certified Development Corp.

1362 N. River Rd., Ste. 1F
St. Clair, MI 48079
810-329-4340 • 810-357-5181 Fax
www.michigancdc.org

Oakland County Business Finance Corporation

2100 Pontiac Lake Rd., Dept. 412, Bldg. 41 W.
Waterford, MI 48328-0412
248-858-0765
www.oakgov.com/econ/business_services/bfc_about.html

SEM Resource Capital

17199 N. Laurel Park Dr., Ste. 300
Livonia, MI 48152
734-464-4418 • 734-464-4419 Fax
<http://sem.resourcecapital.com/>

SEM Resource Capital

800 Monroe Ave. N.W., Ste. 212
Grand Rapids, MI 49503
616-242-5153 • 616-773-1373 Fax
<http://sem.resourcecapital.com/>

MICROLOAN PROGRAM

The Microloan Program provides small loans ranging from under \$500 to \$35,000. Under this program, the SBA makes funds available to nonprofit intermediaries that, in turn, make the loans directly to entrepreneurs, including veterans. Proceeds can be used for typical business purposes such as working capital, machinery and equipment, inventory and leasehold improvements. Interest rates are negotiated between the borrower and the intermediary.

For more information, go to www.sba.gov/services, then choose "SBA Loans" from the links in the right-hand column. From there, click on "Micro Loans." For more information, contact the Michigan District Office at 313-226-6075 or contact the microlender serving your area: **Center for Empowerment and Economic Development**

2002 Hogback Rd., Ste. 12
Ann Arbor, MI 48105
734-677-1400 • 734-677-1465 Fax
www.miced.org/microloans.htm
Covers Hillsdale, Jackson, Lenawee, Livingston, Macomb, Monroe, Oakland, Washtenaw and Wayne counties (except the City of Detroit – See The Small Business Detroit Microloan Program listed).

The Small Business Detroit Microloan Program

Wayne County Community College District – Eastern Campus, 5901 Conner
Detroit, MI 48213
313-267-1020
www.miced.org/detroit.htm
Covers City of Detroit

Northside Economic Potential Group

526 N. Burdick St.
Kalamazoo, MI 49007
269-342-5655 • 269-342-6035 Fax
Covers Barry, Branch, Berrien, Calhoun, Cass, Kalamazoo, St. Joseph and Van Buren counties.

Northern Initiatives

Northern Michigan University
University Center, Ste. 1104
1401 Presque Isle Ave.
Marquette, MI 49855
906-228-5571 • 906-228-5572 Fax
www.niupnorth.org/html/business_loans.htm
Covers the Upper Peninsula.



Papa Joe's, Rochester Hills
MCDC/SBA 504 Loan 2008

**SBA loans
for Michigan
businesses.**

MCDC SBA loans are fast, easy and efficient. We offer up to 90% financing, 20-year terms, and low, fixed interest rates.

Call us today and see why we are Michigan's #1 SBA 504 Lender.

(517) 886-6612
www.michigancdc.org





Rural Michigan Intermediary Relending Program

121 E. Front St., Ste. 201
 Traverse City, MI 49684
 231-941-5858 • 231-941-4616 Fax
 stevespencer49684@sbcglobal.net
 Covers Alcona, Alpena, Antrim, Benzie,
 Charlevoix, Cheboygan, Crawford, Emmet,
 Grand Traverse, Iosco, Kalkaska, Lake, Leelanau,
 Manistee, Mason, Missaukee, Montmorency,
 Ogemaw, Osceola, Oscoda, Otsego, Presque Isle,
 Roscommon and Wexford counties.

Cornerstone Alliance

38 W. Wall St./P.O. Box 428
 Benton Harbor, MI 49023-0428
 269-925-6100 • 269-925-4471 Fax
 www.cornerstonechamber.com/smallbusiness/sbdc.taf
 Covers Berrien, Cass and Van Buren counties.

SMALL BUSINESS INVESTMENT COMPANY PROGRAM

There are a variety of alternatives to bank financing for small businesses, especially business start-ups. The Small Business Investment Company Program fills the gap between the availability of venture capital and the needs of small businesses that are either starting or growing. Licensed and regulated by the SBA, SBICs are privately owned and managed investment funds that make capital available to qualifying small businesses through investments or loans. They use their own funds plus funds obtained at favorable rates with SBA guarantees. SBICs are for-profit firms whose incentive is to share in the success of a small business. In addition to equity capital and long-term loans, SBICs provide managerial assistance. The SBIC Program provides funding for a broad range

of industries and stage of investment, in areas across the country. Some SBICs invest in a particular field or industry while others invest more generally. Most SBICs concentrate on a particular stage of investment such as start-up or expansion and focus on a specific geographic area. For more information contact your nearest SBA office or the Web site at www.sba.gov/services, then choose "Financial Assistance" from the menu below. From there, click on "Equity Capital" and choose "SBA's Investment Program." For more information, contact the Michigan District Office at 313-226-6075, visit www.sba.gov/aboutsba/sbaprograms/inv/index.html or call any of these investment companies:

EDF Ventures, LP

425 N. Main St.
 Ann Arbor, MI 48104-1147
 734-663-3213 • 734-663-7358 Fax
 Mary Campbell, Contact
 fingerle@edfvc.com

North Coast Technology Investors, LP

206 S. Fifth Ave., Ste. 550
 Ann Arbor, MI 48104-0648
 734-662-7667 • 734-662-6261 Fax
 Hugo Braun or Lindsay D. Aspegren
 hugo@northcoastvc.com

Specialized Small Business Investment Company

Dearborn Capital Corp.
 c/o Ford Motor Credit Corporation
 The American Road
 Dearborn, MI 48121
 313-337-8577 • 313-390-3783 Fax
 Michael Kehres, President
 mkehres@ford.com

THE SURETY BOND GUARANTEE PROGRAM

Although it is not a business loan program, the Surety Bond Guarantee Program is a public-private partnership between the federal government and the surety industry providing small businesses with the bonding assistance necessary for them to compete for government and private contracting opportunities. The guarantee provides the necessary incentive for sureties to bond small businesses that would otherwise be unable to obtain bonding. They typically lack the combination of working capital and a performance track record necessary to secure bonding on a reasonable basis through regular commercial channels.

Through this program, the SBA guarantees bid, payment, performance and necessary ancillary bonds issued by surety companies for individual contracts of up to \$2 million on behalf of eligible small construction, service, and supply contractors. The SBA reimburses sureties a predetermined percentage of losses sustained if a contractor breaches the terms of the contract.

The SBA has two program options available, the Prior Approval Program (Plan A) and the Preferred Surety Bond Program (Plan B). In the Prior Approval Program, SBA guarantees 90 percent of a surety's paid losses and expenses on bonded contracts up to \$100,000, and on bonds for socially and economically disadvantaged and HUBZone contractors and veterans and service-disabled veterans. All other bonds guaranteed in the Plan A Program receive an 80 percent guarantee. Sureties must obtain SBA's prior approval for each bond guarantee issued. Under the PSB Program, SBA guarantees only 70 percent, but sureties may issue, monitor and service bonds without SBA's prior approval.

For more information on the Surety Bond Program, visit SBA's web site at www.sba.gov and choose "Services." From there, select "Financial Assistance" and click on "Surety Bond."

Participating Surety companies that work with Michigan companies include:

J.M. Wilson Corporation

Carmel, IN
 800-538-4796

Mourer Foster

Lansing, MI
 517-371-2300

Guy Hurley Blaser & Heuer, LLC

Troy, MI
 248-519-1431

Zervos Group

Southfield, MI
 248-355-4411

QUICK REFERENCE TO SBA LOAN GUARANTY PROGRAMS

(Information current as of October 2008)

Program	Maximum Amount	Percent of Guaranty	Use of Proceeds	Maturity	Maximum Interest Rates	Guaranty Fees	Who Qualifies	Benefits to Borrowers
7(a) Loans								
SBA approves	\$2 million gross (\$1.5 million guaranty)	Maximum guaranty of 75% up to \$1.5 million; 85% if gross loan is \$150,000 or less.	Expansion/renovation; new construction, purchase land or buildings; purchase equipment, fixtures, lease-hold improvements; working capital; refinance debt for compelling reasons; seasonal line of credit, inventory	Depends on ability to repay. Generally working capital & machinery & equipment (not to exceed life of equipment) is 5-10 years; real estate is 25 years.	Loans less than 7 years: max. prime +2.25%; 7 yrs. or more: prime +2.75%; under \$50,000, rates can be higher by 2% for loans of \$25,000 or less; & 1% for loans between \$25,000 and \$50,000. Prepayment penalty for loans with maturities of 15 years or more if prepaid during 1st 3 years.	(Fee charged on guarantied portion of loan only.) Maturity 1 year or less 0.25% guaranty fee; over 1 year: \$150,000 gross amount or less = 2%; \$150,001 - \$700,000 = 3.0%; over \$700,000 = 3.5%. 3.75% on guar. portion over \$1 million. Ongoing fee of 0.494%.	Must be for profit & meet SBA size standards; show good character, credit, management, & ability to repay. Must be an eligible type of business.	Long-term financing; Improved cash flow; Fixed maturity; No balloons; No prepayment penalty (under 15 years)
www.sba.gov/services/financialassistance/sba.oantopics/7a/index.html								
SBAExpress Lender approves. Minimal SBA paperwork.	\$350,000	50%	May be used for revolving lines of credit (up to 7 year maturity) or for a term loan (same as 7(a)).	See 7(a)	Loans \$50,000 or less prime + 6.5%; \$50,000 + Prime + 4.5%.	See 7(a)	See 7(a)	Faster turnaround; Streamlined process; Easy-to-use line of credit
www.sba.gov/services/financialassistance/7alenderprograms								
Community Express. Lender approves. Minimal SBA paperwork.	\$250,000	Same as 7(a)	May be used for revolving lines of credit (up to 7 year maturity) or for a term loan (same as 7(a)).	See 7(a)	Same as 7(a)	See 7(a)	HUBZones; LMI areas; All loans of \$25,000 or less	Faster turnaround; Streamlined process; Easy-to-use line of credit Technical assistance provided
www.sba.gov/services/financialassistance/7alenderprograms								
Patriot Express Lender approves loan. Minimal additional SBA paperwork.	\$500,000	Same as 7(a)	See 7(a)	See 7(a)	Same as 7(a)	See 7(a)	See 7(a). In addition, small business must be owned & controlled by one or more of the following groups: veteran, active-duty military, reservist or National Guard member or a spouse of any of these groups, or a widowed spouse of a service member or veteran who died during service or of a service connected disability.	Lower rate maximums than other SBA Express programs Less paperwork Fast turnaround Expanded eligibility Electronic application
www.sba.gov/services/financialassistance/7alenderprograms								
CAPLines: Short-term/Revolving Lines of Credit; Seasonal Contract Builders Standard/ Small Asset-Based	\$2 million (small asset based limited to \$200,000)	75% if more than \$150,000; 85% if total loan is \$150,000 or less.	Finance seasonal working capital needs; cost to perform; construction costs, advances against existing inventory and receivables, consolidation of short-term debts.	Up to 5 years	Same as 7(a) except the Standard Asset-Based no fee restriction, but fee disclosure to SBA required.	See 7(a)	See 7(a) Existing business	Funds short-term working capital ;Various lines of credit; Allows business to obtain contracts; Larger in size for business growth; Can be used to create current assets; Can be used to finance existing current assets
www.sba.gov/services/financialassistance/SpecialPurposeLoans								
International Trade	\$2 million (Separate working-capital loan + IT loan together may have \$1.75 million combined guaranty.)	75% if more than \$150,000; 85% if total loan is \$150,000 or less	IT loan must be used only for the acquisition of long-term, fixed assets. A separate working-capital loan may be used for working capital needs associated with international trade.	Up to 25 years.	Same as 7(a)	See 7(a)	Small businesses (see 7(a) for qualifications) engaged/preparing to engage in international trade/adversely affected by competition from imports.	Long-term financing for land and building where assets are used to produce products for export.
www.sba.gov/services/financialassistance/SpecialPurposeLoans								
Export Working Capital Program 1-page application, fast turnaround, may apply for prequalification letter.	\$2 million (may be combined with International Trade loan)	90% up to \$1.5 million maximum guaranty	Short-term, working-capital loans for exporters	Matched single transaction cycle or generally 1 yr. for line of credit.	No cap	See 7(a)	Small businesses 7(a) for other qualifications, those who need short-term working capital.	Short-term working capital for export needs; Inexpensive minimum guaranty fee ¼ of 1%; Revolving or transaction based; Allows specific financing for exporting without disrupting domestic financing & business plan
www.sba.gov/services/financialassistance/SpecialPurposeLoans								
Non-7(a) Loans								
Microloans Loans through non-profit lending organizations; technical assistance also provided.	\$35,000 (total loan amount to small business borrower)	Not applicable	Purchase machinery & equipment, fixtures, lease-hold improvements; finance increased receivables; working capital. Cannot be used to repay existing debt.	Shortest term possible, not to exceed 6 years	Negotiable with intermediary: Subject to either 7.75 or 8.5% above intermediary cost of funds.	No guaranty fee	Same as 7(a) except non-profit day care	Direct loans from non-profit intermediary lenders; Fixed-rate financing; Very small loan amounts; Technical assistance available
www.sba.gov/services/financialassistance/sbaloantopics								
504 Loans Provided through Certified Development Companies (CDCs) which are licensed by SBA.	504 loan maximum amount ranges from \$1.5 million to \$4.0 million depending on type business.	Project costs financed by: 504 Loan up to 40% Lender: 50% Equity 10-20%.	Long-term, fixed-asset loans Lender (non-guarantied) financing secured by first lien on project assets. 504 loan provided from SBA 100% guarantied debenture sold to investors at fixed rate secured by 2nd lien.	504 Loan: 10- or 20-year term; Lender (unguarantied) financing may have a shorter term.	Fixed rate on 504 Loan established when debenture backing loan is sold. Declining prepayment penalty for 1/2 of term.	Ongoing guaranty fee on 504 loan (FY 2008) is 0.021% of principal O/S. Ongoing fee % does not change during term.	For profit businesses that do not exceed \$7.5 million in tangible net worth and do not have average net income over \$2.5 million for past 2 years.	Fees under 3%; Long-term fixed rate; Low down payment; Full amortization; no balloons
www.sba.gov/services/financialassistance/sbaloantopics								

BUSINESS PREPARATION

SMALL BUSINESS TRAINING NETWORK

How to Get Equipped With Business Intelligence



The Small Business Training Network is an Internet-based training site. It provides small businesses with free online courses, workshops, learning tools and direct access to electronic counseling and other forms of technical assistance.

Key Features of the SBTN:

- Training is available anytime and anywhere—all you need is a computer with Internet access.
- More than 23 free online courses and workshops available
- Offers a comprehensive e-library with hundreds of e-publications, electronic tools and information resources.

- Online, interactive assessment tools are featured and used to direct clients to appropriate training.

Find the SBTN at
www.sba.gov/training.

CONTRACTING OPPORTUNITIES

FEDERAL PROCUREMENT OPPORTUNITIES

How to Apply for Government Contracts



The federal government is the largest purchaser of goods and services in the world. However, small businesses face challenges when trying to win federal contracts. The SBA can help small businesses work through these challenges. Working closely with federal agencies and the nation's leading large contractors, the SBA works to ensure that small businesses obtain a fair share of government contracts and subcontracts. The SBA has a number of programs to help small firms do business with the federal government.

For more information, visit:
www.sba.gov/gc

THE PRIME CONTRACTS PROGRAM

Through the Prime Contracts Program, the SBA helps to increase small business' share of government prime contracts. SBA Procurement Center Representatives work to expand contracting opportunities for small businesses. PCRs review contracting strategies and actions, recommend contracting sources, and provide one-to-one counseling and training to small businesses seeking to do business with the federal government.

Visit the SBA's Office of Government Contracting home page at: www.sba.gov/gc for a listing of PCRs and buying installations nationwide.

The Subcontracting Assistance Program

The Subcontracting Assistance Program promotes maximum use of small businesses by the nation's large prime contractors. The SBA's Commercial Market Representatives

work with large businesses to identify and expand subcontracting opportunities for small businesses. CMRs conduct compliance reviews to ensure that large businesses comply with small business subcontracting requirements. They also provide guidance to assist small businesses in identifying subcontracting opportunities and marketing their products and services to these large contractors.

CMRs also work with agencies to ensure subcontracting with small and small, disadvantaged businesses, women-owned small businesses, HUBZone firms and small businesses owned by service-disabled veterans through inclusion of subcontracting evaluation factors and sub-factors.

THE CERTIFICATE OF COMPETENCY PROGRAM

The Certificate of Competency program allows a small business to appeal a contracting officer's determination that it is unable to fulfill the requirements of a specific

government contract on which it is the apparent low bidder. The SBA will conduct a detailed review of the firm's technical and financial capabilities to perform on the contract. If the business demonstrates the ability to perform, the SBA issues a Certificate of Competency to the Contracting Officer, requiring award of that contract to the small business.

SMALL BUSINESS SIZE STANDARDS

The Small Business Act states that a small business concern is "one that is independently owned and operated and which is not dominant in its field of operation." The law also states that in determining what constitutes a small business, the definition will vary from industry to industry to reflect industry differences accurately. The SBA's Small Business Size Regulations (13 CFR Part 121, www.sba.gov/size/indexableofsize.html) implement the Small Business Act's mandate to the SBA.

The SBA has also established a table of size standards, matched to North American Industry Classification System industries, used to determine eligibility for SBA programs and small business preferences for federal government contracts.

See more at: <http://www.sba.gov/services/>, then click on "Size Standards" under the "Contracting Opportunities" menu across the bottom.

Size Determination

The Size Determination Program, administered by SBA's six government contracting area offices, ensures that only small firms receive contracts and other benefits reserved exclusively for small business. When a firm's claim that it is small is challenged, the SBA determines if the firm does, in fact, meet established SBA size standards. Size determinations may also be made when requested in connection with other federal small business programs.

Additional information is available at the above "Size Standards" site.

SMALL BUSINESS VENDOR DATABASE

As part of the Integrated Acquisition Environment Initiative, the SBA works with the General Services Administration and Department of Defense to provide a database of vendors, including small business. The Central Contractor Registration System is the primary gateway vendor and grantee database for the federal government. CCR collects, stores and disseminates data to support agency acquisition and grants missions. Both current and potential federal government vendors and grantees are required to register in CCR to receive federal contracts or grants. Vendors are required to complete a one-time registration to provide basic information relevant to procurement, grant and financial transactions.

Vendors must update or renew their registration at least once a year to maintain an active status. The SBA provides the CCR with authoritative source information regarding certifications under 8(a) Business Development, HUBZone and Small Disadvantaged Business programs and provides the small business size status against each North American Industry Classification code listed in a registrant's profile.

SBA maintains the Dynamic Small Business Search function of the CCR. Businesses profiled on the DSBS can be searched by NAICS codes, keywords, location, quality certification, bonding level



business type, ownership, SBA certification, and by women, minority, veteran and service-disabled veteran ownership. The DSBS serves as a marketing tool for small businesses because the business profiles in the DSBS include information from SBA's files and other available databases plus additional business and marketing information on individual firms.

To search the DSBS for small businesses, click on: http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm or select the "Dynamic Small Business Search" at the CCR Web site at: <http://www.ccr.gov>.

Registration in the DSBS is through the CCR. For more information on CCR, or to register, click the CCR Web site. Before registering in CCR, go to the top of the Web page and download the handbook which contains data for a successful registration.

SUB-NET

Prime contractors use SUB-Net to post subcontracting opportunities. Small businesses can review this Web site to identify opportunities in their area(s) of expertise. While the Web site is designed primarily as a place for large businesses to post solicitations and notices, it is also used by federal agencies, state and local governments, nonprofit organizations, colleges and universities, and even foreign governments for the same purpose.

The Web site has shifted the traditional marketing strategy from the shotgun approach to one that is more focused and sophisticated. Instead of marketing blindly to hundreds of prime contractors, with no certainty that any given company has a need

for their product or service, small businesses can now use their resources (saving time and money) to identify concrete, tangible opportunities and then submit bids/proposals targeting these potential subcontracting opportunities.

SUB-Net is available at the SBA Web site by visiting:

<http://web.sba.gov/subnet>

HUBZONE PROGRAM

The Historically Underutilized Business Zone Program stimulates economic development and creates jobs in urban and rural communities by providing federal contracting assistance to small businesses.

The HUBZone program establishes preferences for award of federal contracts to small businesses located in historically underutilized business zones.

In general, small businesses may obtain HUBZone certification by employing staff who live in a HUBZone and maintaining a "principal office" in one of these specially designated areas.

SBA is responsible for:

- Determining whether or not individual concerns are qualified HUBZone small business concerns, and therefore eligible to receive HUBZone contracts;
- Maintaining a list of qualified HUBZone small business concerns for use by acquisition agencies in awarding contracts under the program; and
- Adjudicating protests and appeals of eligibility to receive HUBZone contracts.

To qualify for the program, a business must meet the following criteria:

- It must qualify as a small business by SBA size standards;
- Its principal office must be located within a HUBZone, which includes lands on federally recognized Indian reservations and covered by phrase "Indian Country";
- It must be owned (at least 51 percent) by one or more U.S. citizens, Community Development Corporation, an agricultural cooperative, an Indian tribe; and
- At least 35 percent of its employees must reside in a HUBZone.

Existing businesses that choose to move to qualified areas are eligible. To fulfill the requirement that 35 percent of a HUBZone firm's employees reside in a HUBZone, employees must live in a primary residence within that area for at least 180 days or be a currently registered voter in that area.

For additional information regarding the HUBZone Program, please visit:

<http://www.sba.gov/services/contractingopportunities/contracting/hubzone/index.html>.

PROCUREMENT TECHNICAL ASSISTANCE CENTERS OF MICHIGAN

Another resource SBA works with to locate procurement opportunities for Michigan companies are the Procurement Technical Assistance Centers of Michigan (PTAC). This statewide network provides government contract and export assistance. Highly skilled professionals assist businesses in acquiring federal and state government contracts, as well as identifying international product or service markets for exporting. Many PTACs are co-located with other SBA resource partners such as the Michigan SBTDCs. Visit PTAC's Web page at: www.michigantac.org. The PTACs include:

Muskegon Area First
Big Rapids 231-796-4484

Wayne State University – Professional Development Division
Detroit 313-577-2241

Michigan Works! The Job Force Board/PTAC
Escanaba 906-789-0558 ext. 218

Genesee Regional Chamber of Commerce
Flint 810-600-1432 or 810-600-1433

MEDC Procurement Office
Grand Rapids 616-301-8210

Technical Assistance Center of South Central Michigan
Jackson 517-788-4680

S.W. Michigan Technical Assistance Center
Kalamazoo Regional Chamber of Commerce
Kalamazoo 269-381-2977 ext. 3243
or ext. 3245

Defense Contract Coordination Center
MEDC
Lansing 517-241-2471

Lansing Regional Chamber
Lansing 517-853-6445

PTAC of Schoolcraft College
Livonia 734-462-4438

Thumb Area Satellite Office
Macomb Regional PTAC
Marlette 586-498-4122

Muskegon Area First
Muskegon 231-722-7700

N.E. Michigan Consortium
Onaway 989-733-8548

Saginaw Future, Inc.
Saginaw 989-754-8222 ext. 232

Downriver Community Conference
Southgate 734-362-3477

N.W. Michigan Council of Governments
Traverse City 231-929-5036

Macomb Regional PTAC
Warren 586-498-4122

ASSISTANCE FOR SMALL AND DISADVANTAGED BUSINESSES

8(a) Business Development Program

The SBA's Section 8(a) Business Development Program provides various forms of assistance (management and technical assistance, financial assistance, government contracting assistance and advocacy support) to foster the growth and development of businesses owned by socially and economically disadvantaged individuals. SBA assists these businesses, (during a nine-year tenure in the 8(a) Business Development Program), to gain access to the

resources necessary to develop their businesses and improve their ability to compete in the mainstream of the American economy.

Business development assistance includes one-to-one counseling, training workshops, and other management and technical guidance required to expand into the federal government contracting arena.

The SBA enters into contracts with other federal agencies and subcontracts the performance of such contracts to 8(a) program participants.

Eligibility Criteria:

To participate in the 8(a) program, a business must be:

- a small business concern
- owned by a U.S. citizen
- at least 51 percent unconditionally owned and controlled by one or more an individual(s) who qualify as socially and economically disadvantaged
- established for two full years before applying (or qualifying for a waiver of the two-year rule)

The advertisement features a large green banner at the top with the text "SBA Guaranteed Loans" in white. Below this is a graphic of the word "MICHIGAN" where each letter is filled with a grid of small text listing various business categories such as "Real Estate", "Equipment", "Machinery", "Acquisitions", and "Expansion". Below the graphic is a dark blue section with white text listing services: "Buy Your Building", "Low Down Payment", "Fixed Interest Rates", and "Try Our Online Payment Estimator". At the bottom is a white section with the SEM Resource Capital logo (a stylized green and blue cube) and the text "SEM RESOURCE CAPITAL Real Estate Financing for Growing Businesses (734) 464-4418 • www.sem.resourcecapital.com".

Social disadvantage:

Socially disadvantaged is defined as individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual capabilities. The following individuals are presumed to be socially disadvantaged: Black Americans, Native Americans, Hispanic Americans, Asian Pacific Americans and Subcontinent Asian Americans. An individual who is not a member of one of the groups presumed to be socially disadvantaged must establish individual social disadvantage by a preponderance of the evidence. Anyone may apply for 8(a) Program certification.

For additional information regarding evidence of social disadvantage, please visit: <http://www.sba.gov/aboutsba/sbaprograms/8abd/index.html>.

Economic disadvantage:

Economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free-enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged.

Net worth:

For initial 8(a) Program certification, the net worth of an individual claiming disadvantage, must be less than \$250,000. For continued 8(a) Program eligibility after admission, net worth must be less than \$750,000. In determining such net worth, SBA will exclude the ownership interest in the applicant business and the equity in the primary residence.

Day-to-Day Management:

- Management and daily business operations must be controlled by the disadvantaged individual(s) upon whom eligibility is based.
- The individual(s) must have management or technical expertise.

For additional information on the 8(a) Business Development Program, please visit: <http://www.sba.gov/aboutsba/sbaprograms/8abd/index.html>.

Small Disadvantaged Business Certifications

To qualify as a small disadvantaged business, a firm must be owned and controlled by one or more individuals who are socially and economically disadvantaged. Congress has directed that individuals who are members of certain ethnic groups are presumed to be disadvantaged. Other

persons, including women and persons of any race, can also qualify by establishing their disadvantaged status.

Firms seeking to be SDB-certified by SBA, may certify themselves for federal prime contracts and federal subcontracts without submitting any application to SBA for SDB certification.

To self-represent as small disadvantaged businesses, firms should:

- 1) Update their Central Contractor Registration (CCR) profile, ensuring they select they are a self-certified Small Disadvantaged Business; and
- 2) Update their company's Online Representation and Certification Application - specifically, 52.219-1(b)(2), where they would also check the box that they are a self-certified Small Disadvantaged Business.

Other than its list of certified 8(a) firms, SBA will no longer maintain a list of certified SDB firms. The 8(a) Business Development Program is not affected by this rule. Firms may continue to apply on-line for 8(a) Certification. Criteria for 8(a) certification differs from the criteria for SDB certification, as outlined in the eligibility requirements. Please review the 8(a) eligibility criteria and instructions (<http://training.sba.gov:8000/assessment>) before applying for SBA's 8(a) program or contact the Michigan District Office at 313-226-6075.

Other Certifications

Minority Business Enterprise Certification

Provided by the private sector, this certification is required by many private sector businesses. The Michigan certifying body is the Michigan Minority Business Development Council 313-873-3200 or visit www.mmbdc.com.

Disadvantaged Business Enterprise (DBE)

Provided by the Michigan Department of Transportation, required for DOT funded contracts. For more information, contact the DOT at 202-366-1930 or Michigan DOT 866-323-1264.

Online 8(a)/SDB Application

The online 8(a)/SDB application allows small companies to apply for 8(a) Business Development and Small Disadvantaged Business certification directly from SBA's Web site. The 8(a)/SDB online application incorporates features including context sensitive help, real-time validation, printer-friendly versions and integrates with the CCR/DSBS.

You may access the electronic 8(a)/SDB application by visiting: <https://sba8a.symplicity.com/applicants/guide>

If you have difficulty with SBA's General Login System, please contact ITSecurity@sba.gov.

If you have difficulty with the Central Contractor Registration, please go to <http://www.ccr.gov/help.asp> for contact information.

If you are having difficulty with the Dynamic Small Business Search (DSBS), please contact the DSBS Help Desk at 202-205-9984 or e-mail PRONET@sba.gov.

For Small Disadvantaged Business E-application, please contact SDB@sba.gov.

For 8(a) Business Development E-application, please contact 8ABD@sba.gov.

The Mentor-Protégé Program for 8(a) Participants

Through the SBA's Mentor-Protégé Program, 8(a) Program participants can receive in-depth business advice to assist them in becoming more competitive in obtaining federal government contracts. The SBA's Mentor-Protégé Program encourages private-sector relationships and broadens efforts to address the needs of clients in the 8(a) Program.

If you are an 8(a) participant, mentors can provide you with technical and management assistance, financial assistance in the form of equity investments or loans, subcontract support, and assistance in performing prime contracts through joint-venture arrangements with 8(a) businesses.

For more information, visit: <http://www.sba.gov/services/contracting/opportunities/bdp/8a/index.html>.

MANAGEMENT AND TECHNICAL ASSISTANCE

SBA's Section 7(j) Management and Technical Assistance Program authorizes the SBA to enter into grants, cooperative agreements and contracts with public or private organizations to pay all or part of the cost of technical or management assistance for individuals or concerns eligible for assistance under sections: 7(a) (11), 7(j) (10), or 8(a) of the Small Business Act. Specifically, the following are eligible to receive management and technical assistance including businesses which qualify as small under 13CFR part 121 of this title: concerns located in urban or rural areas with high proportions of unemployed or low-income individuals, or which are owned by such low-income individuals; and businesses eligible to receive 8(a) contracts.

The types of assistance available to eligible individuals through the Management and Technical Assistance Program include counseling and training in the areas of:

- Finance
- Management
- Accounting
- Bookkeeping
- Marketing and presentation analysis
- Advertising
- Loan packaging
- Proposal bid preparation
- Feasibility studies
- Industry specific technical assistance
- The identification and development of new business opportunities

More information is at:

<http://www.sba.gov/aboutsba/sbaprograms/8abd/index.html>

SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS

In 1999, public law established federal procurement opportunities for veterans and service-disabled veterans. In 2003, the Small Business Act established procurement vehicles for small businesses owned and controlled by service-disabled veterans.

Contracting officers may award a sole-source or set-aside contract to a small business owned by a service-disabled veteran if:

- The business is a responsible contractor able to perform the contract, and the contracting officer does not reasonably expect two or more small businesses owned and controlled by service-disabled veterans will submit offers.
- The anticipated award price of the contract (including options) won't exceed \$5 million in case of a contract opportunity assigned a North American Industry Classification System code for manufacturing; or
- \$3 million in the case of any other contract opportunity;
- In the estimation of the contracting officer, the contract award can be made at a fair and reasonable price.

Additionally, a contracting officer may award contracts after competition restricted to small business concerns owned and controlled by service-disabled veterans if the contracting officer reasonably expects two or more small businesses owned and controlled by service-disabled veterans will submit offers and that the award can be made at a fair market price.

Veterans and service-disabled veterans may participate in all SBA procurement programs. To determine your eligibility, contact your local veterans business development officer in your nearest SBA district office, visit the various program Web

sites or contact the SBA's Office of Veterans Business Development at www.sba.gov/vets.

SMALL BUSINESS INNOVATION RESEARCH PROGRAM

The SBIR Program encourages small businesses to explore their technological potential by reserving a specific percentage of federal research and development funds for small businesses. The program serves to fund the critical startup and development stages for a technology and encourages commercialization of the technology, product or service. In turn, this stimulates the U.S. economy.

SBIR Requirements:

Small businesses must meet the following eligibility criteria to participate in the SBIR program.

- Be 51 percent owned and controlled by one or more individuals who are U.S. citizens or permanent resident aliens in the U.S. or be a for-profit business concern that is at least 51 percent owned and controlled by another for-profit business

concern that is at least 51 percent owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the U.S.

- Be organized for profit.
- Principal researcher must be employed by small business.
- Company size cannot exceed 500 employees.

For more information on the SBIR Program visit www.sba.gov/services, then scroll down the "Contracting Opportunities" menu along the bottom and click on "Contracting Program." From there, select "SBIR/STTR Programs" from the menu that appears on the right-hand side.

Participating Agencies:

Each year, the following eleven federal departments and agencies are required to reserve a portion of their R&D funds for award to small business: Departments of Agriculture; Commerce; Defense; Education; Energy; Health and Human Services; Homeland Security; Transportation; Environmental Protection Agency; National Aeronautics and Space Administration; and National Science Foundation.

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SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

This STTR program reserves a specific percentage of federal R&D funding for award to small business and nonprofit research institution partners. Small business has long been where innovation and innovators thrive. But the risk and expense of conducting serious R&D efforts can be beyond the means of many small businesses. Conversely, nonprofit research laboratories are instrumental in developing high-tech innovations. But frequently, innovation is confined to the theoretical, not the practical. STTR combines the strengths of both entities by introducing entrepreneurial skills to high-tech research efforts. The technologies and products are transferred from the laboratory to the marketplace. The small business profits from the commercialization, which, in turn, stimulates the U.S. economy.

STTR Requirements:

Small businesses must meet the following eligibility criteria to participate in the STTR Program.

- Be 51 percent owned and controlled by one or more individuals who are U.S.

citizens or permanent resident aliens in the U.S.

- Be organized for profit.
- Principal researcher need not be employed by small business.
- Small business must conduct at least 40 percent of the work.
- Company size cannot exceed 500 employees. (No size limit for nonprofit research institution).

The nonprofit research institution partner must also meet certain eligibility criteria:

- Be located in the United States and be one of the following:
 - Nonprofit college or university.
 - Domestic nonprofit research organization.
 - Federally funded R&D center.
- The research institution must conduct at least 30 percent of the work.

Participating Agencies:

Each year the following five Federal departments and agencies are required by STTR to reserve a portion of their R&D funds for award to small business/nonprofit research institution partnerships: Department of Defense; Department of Energy; Department of Health and Human Services; National Aeronautics and Space Administration; and National Science Foundation.

TECH-NET

TECH-Net is an Internet-based database of information containing Small Business Innovation Research awards, Small Business Technology Transfer awards, Advanced Technology Program awards, and Manufacturing Extension Partners centers.

It is a search engine and electronic gateway of technology information and resources for and about small high-tech businesses. It is a tool for researchers, scientists, state, federal and local government officials, a marketing tool for small firms and a potential "link" to investment opportunities for investors and other sources of capital.

TECH-Net is a free service for those seeking small business partners, small business contractors and subcontractors, leading edge technology research, research partners, (e.g. small businesses, universities, federal labs and non-profit organizations), manufacturing centers and investment opportunities.

TECH-Net is available at:

<http://tech-net.sba.gov/index.cfm>

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The disaster program is SBA's largest direct loan program, and the only SBA program for entities other than small businesses. SBA is responsible for providing affordable, timely and accessible financial assistance to homeowners, renters, businesses of all sizes and private, non-profit organizations following declared disasters. By law, neither governmental units nor agricultural enterprises are eligible.

The SBA is authorized by the Small Business Act to make two types of disaster loans:

Physical Disaster Loans

Physical Disaster Loans are the primary source of funding for permanent rebuilding and replacement of uninsured or underinsured disaster damages to privately-owned real and/or personal property. SBA's physical disaster loans are available to homeowners, renters, businesses of all sizes and private nonprofit organizations of all sizes. The loan limit for personal property (for homeowners and renters) is \$40,000 and the loan limits for real estate are \$200,000 for homeowners and \$2 million for businesses.

Economic Injury Disaster Loans

Economic injury disaster loans provide the necessary working capital until normal operations resume after a declared disaster. The law restricts economic injury disaster

loans to small businesses, small agricultural cooperatives and private nonprofit organizations of all sizes. The loan limit for economic injury, as a direct result of the disaster event, is \$2 million. These working capital loans are intended to be made to entities without credit elsewhere, as determined by SBA, to help pay ordinary and necessary operating expenses that would have been payable barring the disaster event. The limit for physical and EIDL loans combined is \$2 million.

In addition to disaster loans, the SBA also provides loan support to Military Reservists:

Military Reservist Economic Injury

Military Reservists Economic Injury Disaster Loans are available for up to \$2 million to assist eligible small businesses meet their ordinary and necessary operating expenses that they could have met, but are unable to meet, because an essential employee was "called up" to active duty in his/her role as a military reservist. These loans are intended to provide only the amount of working capital needed by a small business to pay its necessary obligations as they mature until operations return to normal after the essential employee is released from active military duty.

For all disaster loans, SBA can only approve loans to applicants having a credit history acceptable to SBA and who also show the ability to repay all loans. The terms of each loan are established in accordance with each borrower's ability to repay. The law

gives SBA several powerful tools to make disaster loans affordable: low-interest rates (around 4 percent), long-terms (up to 30 years), and refinancing of prior liens (in some cases). As required by law, the interest rate for each loan is based on SBA's determination of whether each applicant does or does not have credit available elsewhere (the ability to borrow or use their own resources to overcome the disaster).

More information on all of SBA's disaster assistance programs is at:

<http://www.sba.gov/services/disasterassistance/index.html>.

Disaster Preparedness

For small businesses, surviving a disaster doesn't begin with clearing the debris and returning to work.

Surviving begins long before the disaster strikes – with proper planning. Your planning should include insurance coverage, emergency power, company records, fire safety, medical emergencies, taking care of your employees and continuity planning – how your business will continue during and after the emergency or disaster.

Starting is as easy as clicking on the SBA's Disaster Preparedness Web site at: <http://www.sba.gov/services/disasterassistance/disasterpreparedness/index.html>. The site includes a wealth of information on the SBA's disaster recovery programs for homeowners and renters, and businesses of all sizes. There are articles on emergency planning for disasters, descriptions of SBA's programs, and links to government and industry Web sites with great planning information.

There is also a link to www.ready.gov, the Department of Homeland Security's Web site for home and business disaster planning.

Small- to medium-sized businesses are the most vulnerable in an emergency. A plan can help protect your company and enhance its potential to recover after an emergency.

The ready.gov site contains downloadable publications detailing the planning you'll need to stay in business after a disaster strikes. One publication, the Ready Business Mentoring Guide – User Edition, contains worksheets, checklists, testimonials and a sample emergency plan to use for study. You can order the publication or download it free.

Planning for a disaster is the best way of limiting its effects.

ADVOCACY

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OFFICE OF ADVOCACY

The SBA's Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, the President and federal appellate courts as friends of the court. Advocacy compiles and interprets statistics on small business and is the primary entity within the federal government to disseminate small business data.

Advocacy also funds outside research into small business issues and produces numerous publications to inform policy makers about the important role of small business in the economy and the impact of government policies on small business. In addition, the office monitors federal agency compliance with the Regulatory Flexibility Act – the law that requires agencies to analyze the impact of their proposed regulations on small entities (including small businesses, small governmental jurisdictions and small nonprofit organizations), and consider regulatory alternatives that minimize the economic burden on small entities.

Advocacy's mission is enhanced by a team of regional advocates, located in the SBA's 10 regions. They are Advocacy's direct link to small business owners, state and local government entities, and organizations that support the interests of small entities. The regional advocates help identify regulatory concerns of small business by monitoring the impact of federal and state policies at the grassroots level. Finally, the office is headed by the Chief Counsel for Advocacy who is appointed by the President and confirmed by the U.S. Senate.

Learn more about the Office of Advocacy at: www.sba.gov/advo.

OFFICE OF THE NATIONAL OMBUDSMAN

If excessive fines, penalties or unfair regulatory enforcement by federal agencies are problems for your small business, you have a voice in Washington, D.C., through the SBA's Office of the National Ombudsman.

The Ombudsman receives comments regarding federal regulatory enforcement from small business owners, nonprofit organizations and small government entities.

Comments are forwarded to federal agencies for review, and in some cases fines may be lowered or eliminated and decisions changed in favor of the small business owner. Each year the National Ombudsman files a report with the U.S. Congress on the responsiveness of federal agencies regarding their actions of regulatory and compliance enforcement on small businesses.

To request help, send the National Ombudsman a complete Federal Agency Comment Form. You may do this by fax at 202-481-5719; online at the Ombudsman's Web page: <http://www.sba.gov/aboutsba/sbaprograms/ombudsman/index.html>; or by mail at 409 Third Street S.W., Mail Code 2120, Washington, DC 20416.

The Ombudsman also coordinates 10 regional regulatory fairness boards which meet regularly to receive comments about federal regulations affecting small businesses.

Learn more about the National Ombudsman from the Web site above or call 888-REG-FAIR.

OTHER ASSISTANCE

OTHER SOURCES OF ASSISTANCE

BIZ RESOURCE CENTERS (BRCs)

The Biz Resource Center (BRC) partner program of the Michigan Small Business & Technology Development Center provides a one-stop location where current and future small business owners can access information needed for the successful launch of a small business. Available resources include the latest computer technology, hardware and software and an extensive small business reference library of hard copy books and publications to help you plan or expand your business. The Michigan BRCs are located as follows:

BIZ RESOURCE CENTER AT MICHIGAN WORKS! SERVICE CENTER

1040 S. Winter St.
Adrian, MI 49221
517-266-5627
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT ALPENA COMMUNITY COLLEGE

665 Johnson St.
Alpena, MI 49707
989-358-7252
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS! SERVICE CENTER

North Pointe Plaza
4061 N. Euclid
Bay City, MI 48706
989-667-0500
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT BOYNE DISTRICT LIBRARY (IN PARTNERSHIP WITH MSHDA MAIN STREET)

201 E. Main St.
Boyne City, MI 49712
231-582-7861
Hours: Monday-Thursday 9:00am - 8:00pm
Friday 9:00am - 5:00pm
Saturday 9:00am - 3:00pm

PERE MARQUETTE DISTRICT LIBRARY

101 E. Fourth St.
Clare, MI 48617
989-386-7576
Hours: Monday-closed
Tuesday & Wednesday 12:00pm - 8:00 pm
Thursday 10:00 am - 6:00pm
Friday 10:00am - 5:00pm
Saturday 10:00am - 2:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS!

43630 Hayes, Ste. 100
Clinton Township, MI 48038
586-263-1501
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS!

2831 N. Lincoln Rd.
Escanaba, MI 49829
906-789-9732
Hours: Monday-Thursday 8:00am - 5:00pm
Friday 9:00am - 5:00pm

BIZ RESOURCE CENTER AT KETTERING UNIVERSITY

1700 W. University Ave.
Campus Center, 5th Fl.
Flint, MI 48504
810-762-9660
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS! GLADWIN

150 Commerce Ct.
Gladwin, MI 48624
989-240-0059
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MONTCALM COMMUNITY COLLEGE M-TEC

1325 Yellow Jacket Dr.
Greenville, MI 48838
616-754-7706
Hours: Monday-Thursday, 8:00am - 9:00pm
Friday, 8:00am - 4:00pm

BIZ RESOURCE CENTER AT FINLANDIA UNIVERSITY

Portage Campus
200 Michigan St.
Hancock, MI 49930
906-487-7344
Hours: Monday-Friday 8:00am - 4:30pm

BIZ RESOURCE CENTER AT MID MICHIGAN COMMUNITY COLLEGE M-TEC

1375 S. Clare Ave.
Harrison, MI 48625
989-386-6624
Hours: Monday-Thursday 8:00am - 8:00pm
Friday 8:00am - 4:30pm

BIZ RESOURCE CENTER AT HILLSDALE SCMW! SERVICE CENTER

21 Care Dr.
Hillsdale, MI 49242
517-437-3381
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT JACKSON SCMW! SERVICE CENTER

209 E. Washington St., Ste. 100
Jackson, MI 49201
517-841-5627
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT LANSING REGIONAL CHAMBER OF COMMERCE

300 E. Michigan Ave.
Lansing, MI 48039
517-487-6340
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT SCHOOLCRAFT COLLEGE

VisiTech Center
18600 Haggerty
Livonia, MI 48152
734-462-4438
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS!

1498 O'DoVero Dr.
Marquette, MI 49855
906-228-3075
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MARSHALL DISTRICT LIBRARY (IN PARTNERSHIP WITH MSHDA MAIN STREET)

124 W. Green St.
Marshall, MI 49068
269-781-7821
Hours:
Monday-Thursday, 10:00am - 8:30pm
Friday 10:00am - 5:30pm
Saturday 10:00am - 3:00pm
Sunday 1:00pm - 4:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS! SERVICE CENTER

1409 Washington St.
Midland, MI 48640
989-631-3073
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT HACKLEY PUBLIC LIBRARY (IN PARTNERSHIP WITH MSHDA MAIN STREET)

316 W. Webster Ave.
Muskegon, MI 49440
231-722-7276
Hours:
Monday-Wednesday 9:00am - 8:00pm
Thursday-Saturday 9:00am - 5:00pm

BIZ RESOURCE CENTER NILES MAIN STREET

210 E. Main St.
Niles, MI 49120
269-687-4332
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT NORTHWEST MICHIGAN WORKS!

Little Traverse Bay Bands of Odawa
2225 Summit Park Dr.
Petoskey, MI 49770
231-347-5150
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT PORTLAND DISTRICT LIBRARY (IN PARTNERSHIP WITH MSHDA MAIN STREET)

334 Kent St.
Portland, MI 48875
517-647-6981
Hours: Monday-Thursday 9:00am - 6:00pm
Friday 9:00am - 5:00pm
Saturday 9:00am - 3:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS!

3875 Bay Rd., Ste. 7
Saginaw, MI 48603
989-249-5232
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS!

1118 E. Easterday Ave.
Sault Ste. Marie, MI 49783
906-635-1752
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS!

Downriver Community Conference
15100 Northline Rd., Rm. 179
Southgate, MI 48195
734-362-3442
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS! SERVICE CENTER

4480 West M-61/P.O. Box 829
Standish, MI 48658-0829
989-846-2111
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT NORTHWEST MICHIGAN WORKS!

1209-C.S. Garfield Rd.
Traverse City, MI 49686
800-442-1074
Hours: Monday-Friday 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN BUSINESS & PROFESSIONAL ASSOCIATION

Michigan Food & Beverage Association
27700 Hoover Rd., Ste. 100
Warren, MI 48093
586-393-8800
Hours: Monday-Friday 10:00am - 4:00pm

BIZ RESOURCE CENTER AT EASTERN MICHIGAN UNIVERSITY/WASHTENAW COMMUNITY COLLEGE

306 Gary M. Owen Bldg.
300 W. Michigan Ave.
Ypsilanti, MI 48197
734-487-0355
Hours: Monday-Friday, 8:00am - 5:00pm

Financing Roundtables By Team SBA

If you are serious about seeking financing for your business, you should attend a Financing Roundtable presented by TEAM SBA. TEAM SBA is a preferred SBA lender, a business consultant, SBA staff, and business owners like you. We'll debunk the myths and demystify the process of bank financing in plain English. You will learn how your loan application will be analyzed, what underwriting criteria are used, and how banking regulations affect the decision. We will answer your questions based upon your business model. Requirements: good credit, a solid business idea, and some money to invest in your business.

OTHER ASSISTANCE

Note: The SBA does not provide loan guarantees to real estate investment firms and this type of financing is not discussed at the roundtables. The roundtables are free to attend, but you must register in advance and meet the criteria listed above. Visit the Michigan District Office calendar of events for the latest list of TEAM SBA's at: www.sba.gov/localresources/district/mi/news/MI_EVENTS.html



WEB RESOURCES

The following is a quick reference to many helpful Web sites for Michigan entrepreneurs. Listing does not imply endorsement by the SBA.

GENERAL SMALL BUSINESS INFORMATION

U.S. Small Business Administration

www.sba.gov

Calendar of Events, Training and Workshops

www.sba.gov/localresources/district/mi/news/index.html

Michigan Economic Development Corporation

www.michiganadvantage.org

SBA On-line Library

www.sba.gov/tools/resourcelibrary/index.html

SBA On-line Training

www.sba.gov/services/training/index.html

Small Business Information Center

<http://sbdnet.org>

State of Michigan

www.michigan.gov

U.S. Business Advisor

www.business.gov

Office of Women's Business Ownership

www.sba.gov/aboutsba/sbaprograms/onlinewboc/index.html

E-MAIL COUNSELING

Michigan Small Business & Technology Development Centers

www.misbtcdc.org

SCORE

www.score.org

SAMPLE BUSINESS PLANS

SBA

www.sba.gov/smallbusinessplanner/index.html

MI-SBTDC

www.gvsu.edu/misbtcdc/index.cfm?id=7C14D071-0515-5F9C-EB7C26E2ECA70535

www.asbdc.org

<http://sbdnet.org/SBIC/bplans.php>

LEGAL AND REGULATORY INFORMATION

Business Law

www.business.gov

Michigan Business License Search

www.michiganadvantage.org

NAICS code search and Size Standards

www.sba.gov/services/contractingopportunities/sizestandardstoc/index.html

National Ombudsman

www.sba.gov/aboutsba/sbaprograms/ombudsman/index.html

UPC Bar Codes

www.uc-council.org

E-COMMERCE

A "How-to" Guide

www.sba.gov/services/training/index.html

TAXES

IRS Small Business/Self Employed

www.irs.gov

Michigan Dept. of Treasury

www.michigan.gov/treasury

FINANCING

SBA Loan Guaranty Programs

www.sba.gov/services/financialassistance/index.html

List of Venture Capital in Michigan

www.michiganadvantage.org/Targeted-Initiatives/Capital-Market-Development

Small Business Innovation Research

www.sba.gov/aboutsba/sbaprograms/sbir/index.html

Catalog of Federal Domestic Assistance

www.cfda.gov

GOVERNMENT CONTRACTING

SBA-Government Contracting Office

www.sba.gov/aboutsba/sbaprograms/gc/index.html

Federal Procurement Opportunities

www.fbo.gov

HUBZones

www.sba.gov/hubzone

Guide to Selling to the Federal Government for Women

www.sba.gov/services/training/index.html

Federal Technical Data Solution (FedTeDS)

www.fedteds.gov

Online Representative & Certification Application (ORCA)

<https://orca.bpn.gov>

Federal Interagency Databases Online

www.fido.gov

Accessing Contracts and Subcontracts for 7(j) Business Owners

http://app1.sba.gov/survey/training_contracts

North American Industrial Classification System (NAICS)

www.census.gov/epcd/naics02/

EXPORT INFORMATION

SBA Office of International Trade

www.sba.gov/aboutsba/sbaprograms/internationaltrade/index.html

The U.S. Government Export Portal

www.export.gov

Michigan District Export Council

www.exporthmichigan.com

PATENTS, TRADEMARKS AND COPYRIGHTS

U.S. Copyright Office

<http://copyright.gov>

U.S. Patent and Trademark

www.uspto.gov

The Entrepreneur's Network

www.tenonline.org

VETERANS

Federal Web Portal for Veterans in Business

www.vetbiz.gov

SBA Veterans Business Development

www.sba.gov/aboutsba/sbaprograms/ovbd/index.html

VetBizCentral

www.vetbizcentral.com

WOMEN

SBA's Office of Women's Business Ownership

www.sba.gov/aboutsba/sbaprograms/onlinewboc/index.html

Women Selling to Federal Government

www.womenbiz.gov

Michigan Women's Marketplace

www.miwomen.com

Center for Empowerment and Economic Development

www.miceed.org

YOUNG ENTREPRENEURS

SBA

www.sba.gov/services/specialaudiences/youngentrepreneurs/index.html

Mind Your Own Business

www.mindyourownbiz.org

OTHER

50 Plus Entrepreneurs

www.sba.gov/50plusentrepreneur

SBA LENDERS

Preferred Lenders

SBA's most active and expert lenders qualify as Preferred Lenders. Participants are delegated partial or full authority to approve loans which results in faster service. Preferred lenders are chosen from among the SBA's best lenders and enjoy full delegation of lending authority. This authority must be renewed at least every two years and each lender's portfolio is examined by the SBA periodically.

PREFERRED LENDERS

1st Source Bank
1st State Bank
Ann Arbor Commerce Bank
Associated Bank
Banco Popular
Bank of America
Bank of Auburn Hills
Bank of Michigan
Branch Banking and Trust Company
Brighton Commerce Bank
Business Lenders
Capitol National Bank
CF Bancorp
Charter One Bank
Chase
CIT Small Business Lending
Citizens Bank
Comerica Bank
Community Shores Bank
Detroit Commerce Bank
Fifth Third Bank
Grand Haven Bank
Huntington National Bank
Huron Community Bank
Irwin Union Bank
Kent Commerce Bank
KeyBank
Macomb Community Bank
MainStreet Lender
Mercantile Bank of Michigan
Muskegon Commerce Bank
National City
Newtek Small Business Finance
Northwestern Bank
Oakland Commerce Bank
Paragon Bank & Trust
PNC Bank
Portage Commerce Bank
Small Business Loans Source
Stearns Bank
Temecula Valley Bank
United Bank of Michigan
UPS Capital Business Credit
U.S. Bank
Wells Fargo Bank
Zions First National Bank

SBA EXPRESS LENDERS

1st Source Bank
1st State Bank
Ann Arbor Commerce Bank
Associated Bank
Banco Popular
Bank of Alpena
Bank of America

Bank of Auburn Hills
Bank of Michigan
Branch Banking and Trust Company
Brighton Commerce Bank
Capital One
Capitol National Bank
Central State Bank
Century Bank and Trust
CF Bancorp
Charter One Bank
Chase
Chelsea State Bank
Chemical Bank and Trust
Christian Financial CU
Citizens Bank
Citizens National Bank of Cheboygan
Clarkston State Bank
Comerica Bank
Commercial Bank
Community Central Bank
Community Financial Members FCU
Community Shores Bank
Davison State Bank
Detroit Commerce Bank
Fifth Third Bank
First Bank
First Independence Bank
First National Bank of Michigan
Franklin Bank
Grand Haven Bank
Greenville Community Bank
Hillsdale County National Bank
Honor State Bank
Huntington National Bank
Huron Community Bank
Huron Valley State Bank
Independent Bank
Irwin Union Bank
Kent Commerce Bank
KeyBank
Keystone Community Bank
Lake-Osceola State Bank
Macatawa Bank
Macomb Community Bank
Mason State Bank
mBank
Michigan Schools & Government CU
Midwest Financial CU
Mercantile Bank of Michigan
Muskegon Commerce Bank
National City
New Liberty Bank
Newtek Small Business Finance
Northland Area FCU
Northstar Bank
Northwestern Bank
Oakland Commerce Bank
Old Mission Bank
Oxford Bank
Paragon Bank & Trust
Paramount Bank
Peoples State Bank
PNC Bank
Portage Commerce Bank
State Savings Bank

Seaway Community Bank
Stearns Bank
Sturgis Bank & Trust
TCF National Bank
T&C FCU
The State Bank
The State Savings Bank
Thumb National Bank & Trust
United Bank of Michigan
United Bank & Trust
UPS Capital Business Credit
U.S. Bank
USA CU
Wells Fargo Bank
West Michigan Community Bank
Zions First National Bank

SBA PATRIOT EXPRESS LENDERS

1st Source Bank
1st State Bank
Ann Arbor Commerce Bank
Banco Popular
Bank of America
Bank of Auburn Hills
Bank of Michigan
Branch Banking and Trust Company
Capitol National Bank
Central State Bank
CF Bancorp
Charter One Bank
Chase
CIT Small Business Lending
Citizens Bank
Citizens National Bank of Cheboygan
Comerica Bank
Commercial Bank
Detroit Commerce Bank
Fifth Third Bank
First Bank
First National Bank of Michigan
Honor State Bank
Huntington National Bank
Huron Community Bank
Irwin Union Bank
KeyBank
Mason State Bank
Mercantile Bank of Michigan
National City
New Liberty Bank
Newtek Small Business Finance
Northwestern Bank
Peoples State Bank
PNC Bank
Portage Commerce Bank
Seaway Community Bank
Small Business Loans Source
Stearns Bank
TCF National Bank
Thumb National Bank & Trust
United Bank & Trust
U.S. Bank
Wells Fargo Bank
Zions First National Bank



hap is ...

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HAP is more than just a card you carry. HAP is your partner, creating solutions that go beyond your health care needs. We design affordable health plans with you in mind.

Health Care Plans

All HAP plans offer:

- Flexible and comprehensive benefits
- Extensive network of the leading doctors and hospitals
- Preventive care
- Online health tools
- Disease management
- Health education and worksite wellness
- **Plus, emergency coverage wherever you travel**

PPO

With our PPO, you get the flexibility to seek care from providers within or outside of the preferred network without referrals. This popular, convenient plan provides freedom of choice, a large network of hospitals and physicians, emergency coverage wherever you go and preventive services – all at an affordable price.

Individual Coverage

SOLO offers great individual health coverage. It's perfect for entrepreneurs, college grads, early retirees or those between jobs. Go online and take a look!

Value PlansSM

Want to save off your current health care premiums? Many businesses today are turning to HAP's Value PlansSM for the savings. Find out what thousands of people already know about the "value" in these plan designs.

Medicare Advantage Plans

HAP's Medicare Advantage plans offer employers and Medicare-eligible individuals solutions with:

- Medical and prescription drug coverage at an affordable price
- Preventive care
- Emergency coverage wherever you travel
- Your choice of the leading doctors and hospitals

You'll enjoy affordability and peace of mind at a time when you need it most!

www.hap.org

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