

SMALL BUSINESS **RESOURCE**



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2012 MICHIGAN

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“ Everything you need to know about setting up, marketing and managing the revenue of your business. ”



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Suit and tie: gone.
Overbearing boss: gone.
Really good health plan:
not going anywhere.

Get exceptional value with small business health coverage from the Blues

Choosing health coverage comes down to one thing: value. The perfect mix of comprehensive coverage at an affordable price. With Blue Cross Blue Shield of Michigan, you get real value and the flexibility to choose exactly the right coverage for your business.

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OVER
120,000
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FROM THE ADMINISTRATOR



Over the past two years, I've met dozens of entrepreneurs who used the tools in this guide – information on capital, contracts, counseling, and more – to build their companies and create thousands of good jobs. You can read similar success stories in the back of this issue as part of the SBA 100, which

we rolled out in August.

Since the credit crisis hit in 2008, the SBA has supported over \$50 billion in lending to small businesses through programs like 7(a) and 504, our top two loan programs. During that same time, SBA counselors have helped more than 2 million entrepreneurs and small business owners through networks such as our Small Business Development Centers, Women's Business Centers, and our SCORE volunteers. And, we've helped deliver nearly \$100 billion each year in federal contracts into the hands of small business owners.

Today, we continue to empower America's job creators with highly-targeted programs and initiatives aimed at helping both Main Street small businesses and high-growth small firms. This work is crucial, because half of working

Americans own or work for a small business, and two of every three new jobs are created by small businesses.

In addition to the great information in this guide, check out our online tools. For example, at www.sba.gov/direct you can type in your zip code and a few details about yourself and your business, and you'll immediately get information on SBA resources and contacts in your local area. Also, you can quickly get local permit and licensing information for various types of businesses at www.sba.gov/permits.

America's small businesses are gearing up to expand and hire once again. Our commitment at SBA and throughout the Obama Administration is to make sure they have the tools they need to stay on that path. Please feel free to contact your local SBA office if you have any questions. We stand ready to help in whatever way we can.

Warm regards,

A handwritten signature in black ink that reads "Karen G. Mills". The signature is written in a cursive, flowing style.

Karen G. Mills
Administrator
Small Business Administration

About the SBA

www.sba.gov

Your Small Business Resource

Every year, 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 compete effectively in the marketplace and strengthen the overall U.S. economy.

SBA offers help in the following areas:

- *Counseling*
- *Capital*

- *Contracting*
- *Disaster Assistance*
- *Advocacy and the Ombudsman*

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.



HOW DO YOU BECOME THE #1 SMALL BUSINESS LENDER THESE DAYS? YOU ACTUALLY LEND MONEY.

For the second year in a row we've proven our commitment to small businesses by being the number one SBA lender in our region. Based on the SBA accounting year as of June 30, 2011, we've made three times the number of loans and lent three times as many dollars as any other lender in our region during 2011. Plus, beginning in 2010, we committed to lend \$4 billion over a three year period. So, let's talk about how we can help your business. Come in or call us at 1-800-480-BANK.

Message From The District Director

We Welcome Your Questions

For extra copies of this publication or questions please contact:

Michigan District Office
McNamara Federal Building
477 Michigan Avenue, Room 515
Detroit, MI 48226

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

Website: www.sba.gov/mi
E-mail: Michigan@sba.gov

Michigan Alternative Work Site
Grand Rapids
Ford Federal Building
110 Michigan Street, Room 307
Grand Rapids, MI 49503

Tel: 616-456-5512 Fax: 616-456-5514



SBA - Committed to the Small Business Owner

As economic conditions continue to give pause, one thing remains certain – the Small Business Administration is committed to helping small business owners by providing the tools, training, and resources they need to grow. We recognize that small businesses are the innovators, the game changers, and the job creators that our country needs now more than ever.

Owning your own business can be a personally and financially rewarding experience, but it is also a challenge. Whether you need assistance with financing, writing a business plan, market analysis, exporting your products, or obtaining government contracts, you will find the answers right here in the Resource Guide. So, make a connection with a certified business consultant, attend a highly rated training session, or get inspired from your peers in a CEO roundtable. Take advantage of the opportunities and imagine where you can take your company!

Every year, SBA helps thousands of small business owners throughout Michigan. In fiscal

2010, we guaranteed 1,614 loans worth over \$478.6 million to small businesses in 371 Michigan cities located in 79 counties. In addition, over 26,600 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,

Gerald Moore

*District Director of
SBA's Michigan District Office*

Doing Business in Michigan

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



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 2010, we guaranteed 1,614 loans worth over \$478.6 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, Women Business Centers, and the Veterans Business Outreach Center helped over 26,600 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 representative is available at the Grand Rapids Alternative Work Site to provide information and assistance to all entrepreneurs.

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

Assistance to businesses 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



SUCCESS STORY

Highest Quality Coffees From Around the World

Higher Grounds Trading Company
Traverse City, Michigan

Higher Grounds Trading Company, a company that roasts and sells fair trade and organic coffee in Traverse City, is a business on the move. Named as one of 50 Companies to Watch by the Edward Lowe Foundation in April, 2011, the company has grown from a small operation at a former saw mill in Leelanau County to its spacious manufacturing and retail location in Traverse City.

Higher Grounds is a small, vertically-integrated company committed to smart growth, sustainable business practices, and being a nexus for social change. The company only purchases fair trade, organic coffee beans and is Michigan's only fully certified fair trade and organic coffee roasting company. Higher Grounds is willing to pay a higher premium for the beans so that small-scale coffee farmers earn fair wages for their product. Profits and fund raising efforts are used to help the farmers in Central America and Africa improve their villages, schools, and livelihood.

When the company was seeking its initial funding for a coffee roaster in 2005, the owners began working with the Michigan Small Business and Technology Development Center in Traverse City. Higher Grounds received an SBA guaranteed loan from National City bank (now PNC).

Higher grounds recently redesigned its coffee bar to accommodate expanded retail offerings – a global marketplace showcasing handmade items from around the world. The MI-SBTDC has continued to work with the owner Chris Tretter in sales development, vertical market expansion, financial planning, and financing opportunities.

SBA congratulates the success of Higher Grounds Trading Company and the MI-SBTDC.

For more information about the company visit the website at <http://highergroundstrading.com>.

COUNSELING

Getting Help to Start Up, Market and Manage Your Business



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

Whether your target market is global or just your neighborhood, the SBA and its resource 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, find foreign markets, and make your voice heard in the federal government.

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

SBA'S RESOURCE PARTNERS

In addition to our district offices which serve every state and territory, SBA works with a variety of local resource partners to meet your small business needs. These professionals can help 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, and recovering from disaster. To find your local district office or SBA resource partner, visit www.sba.gov/sba-direct.

SCORE

SCORE is a national network of nearly 14,000 entrepreneurs, business leaders and executives who volunteer as mentors to America's small businesses. SCORE has helped more than 8.5 million entrepreneurs nationwide by leveraging decades of expertise from seasoned business professionals to help entrepreneurs start businesses, grow companies and create jobs in local communities.

With more than 370 offices throughout the country, SCORE matches you with a mentor whose personality, experience, and skills are a good fit for your business needs. Whether you are a start-up business or growing company, SCORE mentors offer free and confidential advice. As members of your community, SCORE mentors understand local business licensing rules, economic conditions and lending standards. SCORE also offers local small business workshops at modest fees on popular topics such as increasing sales, managing cash flow and marketing your business.

You can count on SCORE as a trusted resource to offer in-depth mentoring, sound advice and guidance, and tools and resources that can help you succeed as a business owner. In fiscal year

2010, SCORE served over 400,000 clients through individual counseling, workshops and online sessions by leveraging the expertise and experience of nearly 14,000 business mentors. For 24/7 access to advice and online webinars on topics such as starting, growing, marketing and e-commerce for small business, visit SCORE online at www.score.org or call 1-800-624-0245 for the office nearest you.

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

Adrian Area Chamber of Commerce

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

Adrian Library

143 E. Maumee St.
Adrian, MI 49221-2703
517-265-2265

Lenawee Chamber of Economic Development

5285 W. US 223
Adrian, MI 49221
For appointments: 517-265-5141

Allendale Area Chamber of Commerce

6101 Lake Michigan Dr.
Allendale, MI 49401
616-892-2632

Ann Arbor – SCORE Chapter 655

Cleary University – Washtenaw Campus
3601 Plymouth Rd.
Ann Arbor, MI 48105
734-929-9091
info@annarborscore.org
www.annarborscore.org

(Battle Creek) Center for Entrepreneurship

450 North Ave.
Battle Creek, MI 49017
269-441-1238
cheryl@Genel.org
dougw@Genel.org

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.
- Earnings and growth potential are unlimited.
- Running a business will provide endless variety, challenges and opportunities to learn.

Belleville Area Chamber of Commerce

248 Main St.
Belleville, MI 48111
734-697-2644

Cornerstone Alliance

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

Birmingham/Bloomfield Chamber of Commerce

725 S. Adams, Ste. 130
Birmingham, MI 48009
248-644-1700

Canton Chamber of Commerce

45525 Hanford Rd.
Canton, MI 48187
734-453-4040

Cedar Springs City Hall

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

Chelsea Library

221 S. Main St.
Chelsea, MI 48118
For appointments: 734-475-8732

Clarkston Area Chamber of Commerce

5856 S. Main.
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
313-584-6100

Detroit – 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

Detroit Regional Chamber of Commerce

One Woodward Ave., 19th Fl.
Detroit, MI 48226
313-596-0320

Greater Farmington Area Chamber of Commerce

33425 Grand River, Ste. 101
Farmington, MI 48335
248-919-6917

Farmington/Farmington Hills Chamber of Commerce

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

Fenton Chamber of Commerce

114 N. Leroy St.
Fenton, MI 48430
517-546-3920

Ferndale Chamber of Commerce

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

Flint MI Veterans 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 – SCORE Chapter 642

Grand Rapids Chamber of Commerce
111 Pearl St. N.W.
Grand Rapids, MI 49503
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

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

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

Holland – SCORE Chapter 686

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

Holly Area Chamber of Commerce

202 South Saginaw
Holly, MI 48442
248-215-7099

Howell/Brighton 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

Kalamazoo – SCORE Chapter 433

Kalamazoo Chamber of Commerce
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 & Scottville Area – SCORE Chapter 702

Ludington Area Chamber of Commerce
5300 W. U.S. Hwy. 10
Ludington, MI 49431
231-845-0324
sarak@ludington.org
www.ludington.org

Macomb County Chamber of Commerce

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

Madison Heights Chamber of Commerce

724 W. Eleven Mile
Madison Heights, MI 48071
248-542-5010

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
For appointments: 800-686-1883

Huron Valley Chamber of Commerce

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

Muskegon – SCORE Chapter 653

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

Newaygo County Economic Development Corp.

4684 Evergreen Dr.
Newaygo, MI 49337
231-652-9298

Novi Chamber of Commerce

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

Orion Area Chamber of Commerce

P.O. Box 484
Lake Orion, MI 48361
248-693-6300

Oxford Chamber of Commerce

15 E. Burdick St.
Oxford, MI 48371
248-628-0410

Petoskey – SCORE Chapter 622

Petoskey/Harbor Springs Area
Chamber of Commerce
401 E. Mitchell St.
Petoskey, MI 49770
231-347-4150
chamber@petoskey.com
www.tipofthemittscore.org/

Pontiac Regional Chamber of Commerce

402 N. Telegraph Rd.
Pontiac, MI 48341
248-335-9600

Portage District Library

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

Bluewater Area Chamber of Commerce

512 McMorrان Blvd.
Port Huron, MI 48060
810-985-7101

Redford Township Chamber of Commerce

26050 Five Mile Rd.
Redford, MI 48329
313-535-0960

Richmond Area Chamber of Commerce

68371 Oak St.
Richmond, MI 48062
586-727-3266

Greater Rochester Chamber of Commerce

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

Greater Royal Oak Chamber of Commerce

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

Rockford Area Chamber of Commerce

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

Michigan Hispanic Chamber of Commerce

24445 Northwestern Hwy., Ste. 206
Southfield, MI 48075
248-208-9915

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

South Haven Area Chamber of Commerce

606 Phillips St.
South Haven, MI 49090
269-637-5171
rachel@southhavenmk.com

Downriver Community Conference

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

St. Clair Chamber of Commerce

201 N. Riverside Ave.
St. Clair, MI 48079
810-329-2962

Metro East Chamber of Commerce

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

Southern Wayne Co. Regional Chamber

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

Three Rivers Area Chamber of Commerce

57 N. Main St.
Three Rivers, MI 49093
269-278-8193
christy@trchamber.com

Traverse City – SCORE Chapter 578

Traverse City Chamber of Commerce
202 E. Grandview Pkwy.
Traverse City, MI 49684
231-947-5075
www.upnorthscore.com

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

Lakes Area Chamber of Commerce

305 N. Pontiac Tr., Ste. A
Walled Lake, MI 48390
248-624-2826

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
586-393-8800

Oakland County Planning & Economic Development Group

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

Greater Ortonville Chamber of Commerce

P.O. Box 152
Ortonville, MI 48462
248-627-4640

Wayland Area Chamber of Commerce

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

Waterford Area Chamber of Commerce

2309 Airport Rd.
Waterford, MI 48327
248-666-8600

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
734-482-4920

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 888-749-7886 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.

Please contact the center closest to you for more information or visit MI-SBTDC's Web site: www.misbtcdc.org.

SMALL BUSINESS DEVELOPMENT CENTERS

The Small Business Development Center (SBDC) program has been vital to SBA's entrepreneurial outreach for more than 30 years. It has become one of the largest professional small business management and technical assistance networks in the nation. With nearly 900 locations across the country, SBDCs offer free one-on-one expert business advice and low-cost training by qualified small business professionals to existing and future entrepreneurs.

Feet on the Street Serving Small Businesses



"It was **great** working with someone who acted like a **partner** for us, helping us identify problems and bringing them to the surface."

*Amy Engelsman, owner
Proos Manufacturing, Inc.*



The Michigan Small Business & Technology Development Center's statewide networks offers:

Four Customer Groups
New Ventures
Existing Businesses
Growing Companies
Advanced Technology Companies

Four Core Services
Counseling
Training
Information Based Planning
Technology Commercialization

Four Consulting Teams
Small Business Team
Growth Group Team (G2)
Manufacturing Assistance Team (MAT)
Technology Commercialization Team

Contact the MI-SBTDC for more information
www.misbtcdc.org | 616.331.7480



The SBDC program includes special focus areas such as, green business technology, disaster recovery and preparedness, import and export assistance, veterans assistance, procurement assistance, electronic commerce, technology transfer and regulatory compliance. A number of SBDC networks have specialized programs or centers dedicated to these focus areas.

During the past thirty years, through a unique mix of federal, state and private sector resources, the SBDC program has increased its return on investment. Through federal grants, SBDCs in every state and territory provide the foundation for the economic growth of small businesses. These small businesses, in turn, advance local and regional economic development through the generation of business revenues, job creation and job retention. This return on investment is demonstrated by fiscal 2010 outcomes, where SBDCs:

- Assisted more than 13,600 entrepreneurs to start new businesses – an estimated 37 new business starts per day.
- Provided counseling services to over 107,000 emerging entrepreneurs and nearly 102,000 existing businesses.
- Provided training services to approximately 380,000 clients.

The efficacy of the SBDC program has been validated by a nationwide impact study. Of the clients surveyed, more than 80 percent reported that the business assistance they received from the SBDC counselor was worthwhile. Similarly, more than 50 percent reported that SBDC guidance was beneficial in making the decision to start a business. More than 40 percent of long-term clients, those receiving 5 hours or more of counseling, reported an increase in sales and 38 percent reported an increase in profit margins.

For information on the SBDC program, visit www.sba.gov/sbdc. To schedule an appointment for counseling or to see the seminar schedule, contact the center nearest you from the list below.

STATE HEADQUARTERS

www.mistbdc.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

Upper Peninsula Region

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

Michigan Works!

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

ADDITIONAL COUNSELING LOCATIONS

Dickinson Area Partnership

(Iron Mountain)
600 S. Stephenson Ave.
Iron Mountain, MI 49801
906-774-2002 • 906-774-2004 Fax

Sault Area Chamber of Commerce

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

Michigan Technological University Technology and Economic Development

1400 Townsend Dr.
Houghton, MI 49931
906-487-1082 • 906-487-1979 Fax

Lake Superior State University

Prototype Development Center
650 W. Easterday Ave.
Sault Ste Marie, MI 49783
906-635-2738 • 906-635-6663 Fax

Florence Economic Development Commission

(Florence)
715-528-3294

Greater Munising Bay Partnership for Commerce Development

(Munising)
906-387-2138

Keweenaw Bay Indian Community

(Baraga)
906-353-2626

Michigan Works@ Western U.P.

(Ironwood)
906-932-4059

Lake Superior Community Partnership

(Marquette)
906-226-6591

Luce County EDC

(Newberry)
906-293-5982

Marinette County Association for Business and Industry

(Niagara)
906-632-3301

Michigan State University Extension

(St. Ignace)
906-643-7307

Ontonagon County EDC

(Ontonagon)
906-884-4188

Schoolcraft County EDC

(Manistique)
906-341-5126

NORTHWEST MICHIGAN REGION

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

Northwest Michigan Council of Governments

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

ADDITIONAL COUNSELING LOCATIONS **Alliance for Economic Success**

1361 U.S. 31 S.
Manistee, MI 49660
231-723-4325 • 231-723-1515 Fax
deborah@allianceforeconomicsuccess.com

Northern Lakes Economic Alliance

1313 Boyne Ave.
Boyne City, MI 49712
231-582-6482 • 231-582-3213 Fax
wendy@northernlakes.net

NORTHEAST MICHIGAN REGION

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

COUNSELING LOCATIONS

Alpena Community College

665 Johnson St., Newport Ctr., Rm. 108
Alpena, MI 49707
800-562-4808 or 989-358-7375
989-358-7554 Fax
bouredlc@alpenacc.edu
Joel Schultz, Regional Director

MI Works!

315 W. Chisholm St.
Alpena, MI 49707-5405
989-358-3120
bgoldamm@jobforce.org

Michigan Works! Service Center

1230 E. U.S.23
East Tawas, MI 48730
989-305-5124
tkellstrom@michworks4u.org

MID MICHIGAN REGION

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

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
Mid Michigan Community College

Pickard Campus
5805 E. Pickard
Mt. Pleasant, MI 48858
989-317-4623

Mason County Growth Alliance

5300 W. U.S. 10
Ludington, MI 49431
231-845-6646
jhealy@masoncountygrowth.com

GREAT LAKES BAY REGION

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

Delta College Corporate Services

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

ADDITIONAL COUNSELING LOCATION

Huron County EDC

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

GENESEE LAPEER REGION

Serves: Genesee and Lapeer counties.
www.misbtcd.org/geneseelapeer

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

WEST MICHIGAN REGION

Serves: Kent, Muskegon and Ottawa
counties.
www.misbtcd.org/westmichigan

Grand Valley State University

401 W. Fulton St.
DeVos Center - 284C
Grand Rapids, MI 49504
616-331-7370 • 616-331-7195 Fax
villarda@gvsu.edu
Dante Villarreal, Regional Director

ADDITIONAL COUNSELING LOCATIONS

**Ottawa Co. Economic Development
Office**

6676 Lake Michigan Dr.
Allendale, MI 49401
616-892-4120 • 616-895-6670 Fax
krizzio@altelco.net

**Michigan Alternative & Renewable
Energy Center (MAREC)**

200 Viridian Dr.
Muskegon, MI 49440
616-331-6906 • 616-331-6910 Fax
heusdado@gvsu.edu

CAPITOL REGION

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

Lansing Community College

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

ADDITIONAL COUNSELING LOCATIONS

Livingston County SBTDC

218 E. Grand River Ave.
Brighton, MI 48116
810-227-5086
nancyj@livingstonsbtcd.org

**Shiawassee Regional
Chamber of Commerce**

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

OAKLAND COUNTY EXECUTIVE



L. Brooks Patterson

Straight Talk For Business Owners

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BUSINESS FINANCING
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Oakland County Business Finance Corporation
and Economic Development Corporation
have over 30 years experience helping
hundreds of businesses grow.

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CALL 248-858-0765

SOUTHEAST MICHIGAN REGION

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

Eastern Michigan University

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

ADDITIONAL COUNSELING LOCATIONS

Monroe County Industrial Dev. Corp.

102 E. Front St.
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 • 248-975-9555 Fax
arel@oakgov.com

Schoolcraft College Business Development Center

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

TechTown

TechOne Bldg., 440 Burroughs, Ste. 307A
Detroit, MI 48202
313-967-9295 • 313-967-9296 Fax
wthomas1@emich.edu

Jefferson East Business Development Center

14628 E. Jefferson Ave.
Detroit, MI 48215
313-331-7939 • 313-331-0311 Fax

MACOMB ST. CLAIR REGION

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

Macomb County 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 LOCATION

EDA of St. Clair County

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

SOUTHWEST MICHIGAN REGION

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

Haworth College of Business

3110 Schneider Hall
Western Michigan University
Kalamazoo, MI 49008
269-387-6004 • 269-387-5710 Fax
tamara.j.davis@wmich.edu
Tamara Davis, Regional Director

GREATER WASHTENAW REGION

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

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 LOCATION

Enterprise Group of Jackson

One Jackson Sq., Ste. 11001
Jackson, MI 49204
517-787-0442 • 517-782-0061 Fax
rweaver@enterprisegroup.org

WOMEN'S BUSINESS CENTERS

The SBA's Women Business Center (WBC) program is a network of approximately 110 community-based centers which provide business training, coaching, mentoring and other assistance geared toward women, particularly those who are socially and economically disadvantaged. WBCs are located in nearly every state and U.S. territory and are partially funded through a cooperative agreement with the SBA.

To meet the needs of women entrepreneurs, WBCs offer services at convenient times and locations, including weekends. Most WBCs are located at non-profit host organizations that offer a wide variety of services in addition to the services provided by the WBC. Many of the WBCs also offer training and counseling and provide materials in different languages in order to meet the diverse needs of the communities they serve.

WBCs often deliver their services through long term training or group counseling, both of which have shown to be effective. WBC training courses are often free or offered at a small fee. Some centers will also offer scholarships based on the client's needs.

While most WBCs are physically located in one designated location, a number of WBCs also provide courses and counseling via the Internet, mobile classrooms and satellite locations.

WBCs have a track record of success.

In fiscal year 2010, the WBC program counseled and trained more than 160,000 clients, creating local economic growth and vitality. Of the WBC clients who have received 3 or more hours of counseling, 15 percent indicated that the services led to hiring new staff, 34 percent indicated that the services led to an increased profit margin, and 47 percent indicated that the services led to an increase in sales.

In addition, the WBC program has taken a lead in preparing women business owners to apply for the Women-Owned Small Business (WOSB) Federal Contract program that authorizes contracting officers to set aside certain federal contracts for eligible women-owned small businesses or economically disadvantaged women-owned small businesses. For more information on the program, visit www.sba.gov/wosb.

To find the nearest SBA WBC, visit www.sba.gov/women.

EMERGING LEADERS

SBA's Emerging Leaders initiative is currently hosted in 27 markets across the country using a national demonstrated research-based curriculum that supports the growth and development of small firms that have substantial potential for expansion and community impact. A competitive selection process results in firm executives participating in high-level training and peer-networking sessions led by professional instructors and local economic development organizations. Post-training, social and economic impact results from responding executives who attended the 2008 – 2010 training classes indicate:

- More than half of participating businesses reported an increase in revenue, with an average revenue of \$1,879,266.
- Participating businesses averaged \$2 million in revenue, with new cumulative financing of \$7.2 million secured in 2010.
- Nearly half of the participants secured federal, state, local and tribal contracts with a cumulative total of \$287 million.
- Approximately half of the participants have hired new workers, creating 275 new jobs in 2010.
- All participants were introduced and trained on becoming SBA 8(a) certified firms; nearly 25 percent of respondents are currently certified as SBA 8(a) firms, while other participants reported a focused intention on

- applying to the 8(a) program.
- Nearly 50 percent of participating respondents were female executives and 70 percent were minority business executives.
- 85 percent of responding executives were Satisfied or Very Satisfied with the overall training series and results.

To find out more about this executive-level training opportunity, please visit www.sba.gov/e200 for host cities, training schedules, and selection criteria.

SBA'S ONLINE TOOLS AND TRAINING

SBA's Small Business Training Network is a virtual campus complete with free online courses, workshops, podcasts, learning tools and business-readiness assessments.

Key Features of the Small Business Training Network:

Training is available anytime and anywhere—all you need is a computer with Internet access.

- More than 30 free online courses and workshops are available.

- Templates and samples to get your business planning underway.
- Online, interactive assessment tools are featured and used to direct clients to appropriate training.

Course topics include a financial primer keyed around SBA's loan-guarantee programs; a course on exporting; courses for veterans and women seeking federal contracting opportunities; and an online library of podcasts, business publications, templates and articles.

Find these free resources at www.sba.gov/training.

REACHING UNDERSERVED COMMUNITIES

SBA also offers a number of programs specifically designed to meet the needs in the underserved communities.

WOMEN BUSINESS OWNERS

Women entrepreneurs are changing the face of America's economy. In the 1970s, women owned less than five percent of the nation's businesses.

Today, they are majority owners of about a third of the nation's small businesses and are at least equal owners of about half of all small businesses. SBA serves women entrepreneurs nationwide through its various programs and services, some of which are designed especially for women.

The SBA's Office of Women's Business Ownership (OWBO) serves as an advocate for women-owned businesses. OWBO oversees a nationwide network of 110 women's business centers that provide business training, counseling and mentoring geared specifically to women, especially those who are socially and economically disadvantaged. The program is a public-private partnership with locally-based nonprofits.

Women's Business Centers serve a wide variety of geographic areas, population densities, and economic environments, including urban, suburban, and rural. Local economies vary from depressed to thriving, and range from metropolitan areas to entire states. Each Women's Business Center tailors its services to the needs of its individual community, but all offer a variety of innovative programs, often including courses in different languages. They provide training in

finance, management, marketing, and the Internet, as well as access to all of the SBA's financial and procurement assistance programs.

The three SBA WBCs in Michigan are:

Women's Business Center at Cornerstone Alliance

38 W. Wall St.
Benton Harbor, MI 49022
269-925-6100 • 269-925-4471 Fax
www.cornerstonewbc.com/home.taf
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.

Grand Rapids Opportunities for Women (GROW)

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 10 week Minding Your Own Business training, Up-Close Seminars, Executive Series Seminars, Ask the Experts Panel Breakfast, Business Counseling, Alliance of Women Entrepreneurs professional women's networking, "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. 17-18
Ann Arbor, MI 48105
734-677-1400 • 734-677-1465 Fax
www.miceed.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.

REACHING UNDERSERVED COMMUNITIES

CENTER FOR FAITH-BASED AND NEIGHBORHOOD PARTNERSHIPS

Faith-based and Neighborhood Partnerships know their communities, and they have earned their people's trust. Because of their credibility, they are uniquely positioned to build awareness of programs that encourage entrepreneurship, economic growth and job creation.

SBA is committed to reaching out to faith based and community organizations that are eligible to participate in the agency's programs by informing their congregants, members and neighbors about SBA's programs. In particular, many faith-based and community non-profit organizations can provide a local financing option for entrepreneurs by becoming SBA Microloan Intermediaries. An SBA Microloan Intermediary often acts as a bank for entrepreneurs and small businesses that might otherwise be unable to find access to capital.

VETERANS AND RESERVISTS BUSINESS DEVELOPMENT

To ensure that veterans, service-disabled veterans and Reserve and National Guard member entrepreneurs receive special consideration in all of SBA's entrepreneurial programs and resources, the SBA has established an Office of Veterans Business Development (OVBD). Each year, OVBD reaches thousands of veterans, Reserve Component members, transitioning service members and others who are – or who want to become – entrepreneurs and small business owners. OVBD develops and distributes informational materials for entrepreneurship such as the Veterans Business Resource Guide, VETGazette, and Getting Veterans Back to Work. In addition, there are 16 Veterans Business Outreach Centers strategically located throughout the country that provide both online and in-person training, counseling, mentoring, workshops, referrals, and more. Each of the SBA's 68 District Offices also has a designated veteran's business development officer.

The SBA offers special assistance for small businesses owned by activated

Reserve and National Guard members. 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. In addition, 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 (MREIDL) provides loans up to \$2 million 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.

Among the SBA's unique services for veterans are: an Entrepreneurship Boot Camp for Veterans with Disabilities in partnership with 6 top U.S. universities (www.whitman.syr.edu/ebv), a program to reach women veteran-entrepreneurs (www.whitman.syr.edu/vwise), and a program for Reserve Component family members called Operation Endure and Grow (www.whitman.syr.edu/endureandgrow).

For more information about small business lending programs for veteran business owners and Reserve or Guard members who are activated, including Patriot Express, microloans, and Advantage loans, see the section on Access to Capital. To learn more about the Veterans Business Outreach program or find the nearest SBA VBOC, visit the SBA Web site at www.sba.gov/vets.

The SBA has one organization participating and serving as a Veterans Business Outreach Center in Michigan.

SBA's VBOC in Michigan is:

VetBizCentral

711 N. Saginaw St., Ste. 206
Flint, MI 48503
810-767-8387
www.vetbizcentral.org
info@vetbizcentral.org

NATIVE AMERICAN BUSINESS DEVELOPMENT

The SBA Office of Native American Affairs (ONAA) ensures American Indians, Alaska Natives and Native Hawaiians seeking to create, develop and expand small businesses have full access to the necessary business development and expansion tools available through the agency's entrepreneurial development, lending, and contracting programs. ONAA provides a network of training (including the online tool "Small Business Primer: Strategies for Growth") and counseling services and engages in numerous outreach activities, such as tribal consultations, development and distribution of educational materials, attendance and participation in economic development events and assisting these small businesses with SBA programs.

More information is at www.sba.gov/naa.



ARE YOU RIGHT FOR SMALL BUSINESS OWNERSHIP?

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?

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, employees, 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.
- **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.

Once you’ve answered those questions, you should consider what type of business you want to start. Businesses can include franchises, at-home businesses, online businesses, brick-and-mortar stores or any combination of those.

FRANCHISING

There are more than 3,000 business franchises. 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: historical 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 starting an independent business venture, then franchising may be an option for you. Remember that hard work, dedication and sacrifice are key elements in the success of any business venture, including a franchise.

For more information visit www.sba.gov/franchise.

HOME-BASED BUSINESSES

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.

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.

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

Ask yourself these questions:

- Can I switch from home responsibilities to business work easily?
- Do I have the self-discipline to maintain schedules while at home?
- Can I deal with the isolation of working from home?

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 and state departments of state, labor and health 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.

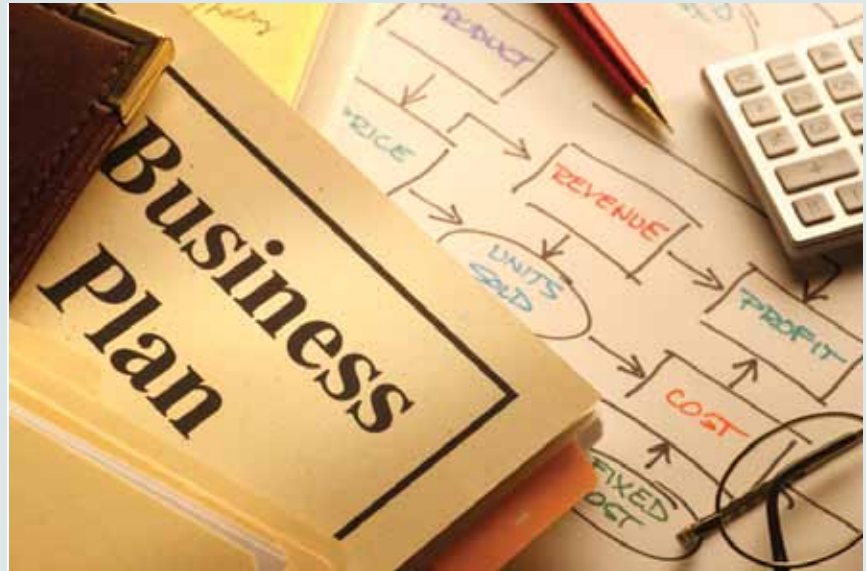
After you've thought about what type of business you want, the next step is to develop a business plan. Think of the business plan as a roadmap with milestones for the business. It begins as a pre-assessment tool to determine profitability and market share, then expands as an in-business assessment tool to determine success, obtain financing and determine repayment ability, among other factors.

Creating a comprehensive business plan can be a long process, and you need good advice. The SBA and its resource partners, including Small Business Development Centers, Women's Business Centers, Veterans Business Outreach Centers, and SCORE, have the expertise to help you craft a winning business plan. SBA also offers online templates to get you started.

In general, 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 potential problems.

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 and professional business counselor like SCORE, WBC or SBDC representatives, SBA district office business development specialists or veterans business development specialists.

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



CAPITAL

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 amounts 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.

SBA BUSINESS LOANS

If you are contemplating a business loan, familiarize yourself with the SBA's business loan programs to see if they may be a viable option. Keep in mind the dollar amount you seek to borrow and how you want to use the loan proceeds. The three principal players in most of these programs are the applicant small business, the lender and the SBA. SBA guarantees a portion of the loan (except for Microloans). 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 associated costs, 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 and SBA's 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. In the case of microlenders SBA loans these intermediaries funds at favorable rates to re-lend to businesses with financing needs up to \$50,000. The SBA's business loan programs provide a key source of financing for viable small businesses that have real potential but cannot qualify for long-term, stable financing.

7(a) LOAN PROGRAM

The 7(a) Loan program is the SBA's primary business loan program. It is the agency's most frequently used non-disaster financial assistance program because of its flexibility in loan structure, variety of loan proceed uses, and availability. The 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 approved lenders. The loans are funded by these organizations, and they make the decisions to approve or not approve the applicants' 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 loan, 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 applicant must be eligible and creditworthy and the loan structured under conditions acceptable to SBA.

Percentage of Guaranties and Loan Maximums

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 on each loan. The percentage SBA guarantees depends on either the dollar amount or the program the lender uses to obtain its guaranty. For loans of \$150,000 or less the SBA may 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 7(a) loan amount is \$5 million. (Loans made under the SBAExpress program, which is discussed later in this section, have a 50 percent guaranty.)

Interest Rates and Fees

The actual interest rate for a 7(a) loan guaranteed by SBA is negotiated between the applicant and lender and subject to SBA maximums. Both fixed and variable interest rate structures are available. The maximum rate is comprised of two parts, a base rate and an allowable spread. There are three acceptable base rates (Wall Street Journal Prime*, London Interbank One Month Prime plus 3 percent, and an SBA Peg Rate). Lenders are allowed to add an additional spread to the base rate to arrive at the final rate. For loans with maturities of less than seven years, the maximum spread will be no more than

2.25 percent. For loans with maturities of seven years or more, the maximum spread will be 2.75 percent. The spread on loans under \$50,000 and loans processed through Express procedures may be higher.

Loans guaranteed by SBA are assessed a guaranty fee. This fee is based on the loan's maturity and the dollar amount guaranteed, not the total loan amount. The guaranty fee is generally paid by the borrower and can be included in the loan proceeds.

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 normal 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 base rate in effect on the first business day of the month the loan application is received by 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 seven 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 7(a) 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 income before it starts making full loan payments. Balloon payments or call provisions are not 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 7(a) loan to be fully secured, but the SBA will not decline a request to guaranty a loan if the only unfavorable factor is insufficient collateral, provided 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. 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 www.sba.gov/size.

SBA Size Standards:

- Manufacturing — from 500 to no more than 1,500 employees
- Wholesaling — No more than 100 employees
- Services — from \$4.5 million to no more than \$35.5 million in average annual receipts
- Retailing — from \$7 million to no more than \$35.5 million in average annual receipts
- General construction — from \$7 million to no more than \$33.5 million in average annual receipts
- Agriculture — from \$750,000 to no more than \$17.5 million in average annual receipts

There is also an alternate size standard that is based on a net worth (\$15 million or less) and average net income (\$5 million or less). This new alternate makes more businesses eligible for SBA loans and applies to all SBA non-disaster loan programs.

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.

The SBA also cannot offer loan guaranties to 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 use of proceeds. 7(a) proceeds can be used to make leasehold improvements or purchase machinery; equipment; fixtures; supplies; or land and/or buildings that will be occupied by the business borrower.

Proceeds can also be used to:

- Expand or renovate facilities;
- Acquire machinery, equipment, furniture, fixtures and leasehold improvements;
- Finance receivables and augment working capital;
- Finance seasonal lines of credit;
- Acquire businesses;
- Start up businesses;
- Construct commercial buildings; and
- Refinance existing debt under certain conditions.

SBA 7(a) loan proceeds cannot be used for the purpose of making investments. SBA proceeds cannot be used to provide funds to any of the owners of the business except for ordinary compensation for actual services provided.

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 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 restrictions on lending to agricultural enterprises because there are other agencies of the federal government with programs to fund such businesses. Generally, SBA loans must meet the following criteria:

- 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.

For more information, go to www.sba.gov/apply.

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 an explanation of the assumptions used to develop these projections
- 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 required, the lender will also review eligibility. The applicant should be prepared to complete some additional documents before the lender sends the request for guaranty to the SBA. Applicants who feel they need more help with the process should contact their local SBA district office or one of SBA's resource partners for assistance.

There are several ways a lender can apply for a 7(a) guaranty from SBA. The main differences between these methods are related to the documentation the lender provides, the amount of review the SBA conducts, the amount of the loan, and the lender's responsibilities in case the loan defaults and the business' assets must be liquidated. The methods are:

- Standard 7(a) Guaranty
- Certified Lender Program
- Preferred Lender Program
- Rural Lender Advantage
- SBA *Express*
- Patriot Express
- Export Express
- Small Loan Advantage
- Community Advantage

For the Standard, Certified and Preferred methods, the applicant fills out SBA Form 4, and the lender completes SBA Form 4-1. When requests for guarantees are processed using Express or Advantage methods, the applicant uses more of the regular forms of the lender and just has a few federal forms to complete. When SBA receives a request that is processed through Standard or Certified Lender Program procedures, it either reanalyzes or reviews the lender's eligibility and credit analysis before deciding to approve or reject. For requests processed through Preferred Lender Program or Express programs, the lender is delegated the authority to make the credit decision without SBA's concurrences, which helps expedite the processing time.

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 might 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 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; and
- Sufficient collateral to secure the loan or all available collateral if the loan cannot be fully secured.

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) 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 useful 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.

SBAExpress

The SBAExpress guaranty 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. The use of loan proceeds is the same as for any basic 7(a) loan. 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.

Patriot Express and Other Lending Programs For Veterans

The Patriot Express 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 servicemembers eligible for the military's Transition Assistance Program;
- Reservists and National Guard members;
- Current spouses of any of the above, including any servicemember;
- The widowed spouse of a servicemember or veteran who died during service or of a service-connected disability.

The Patriot Express loan is offered by SBA's nationwide network of private lenders and features the 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 accept all available collateral.

The Patriot Express loan can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, and 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 available at www.sba.gov/patriotexpress.

Self-employed Reserve or Guard members 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 also offers special low-interest-rate financing of up to \$2 million when an owner or essential employee is called to active duty through the Military Reservist Economic Injury Disaster Loan program (MREIDL) to help cover operating costs due to the loss of an essential employee called to active duty.

Advantage Loans

In early 2011, SBA rolled out two Advantage loan initiatives aimed at helping entrepreneurs and small business owners in underserved communities gain access to capital. Both offer a streamlined loan application process and the regular 7(a) loan

guarantee for loans under \$250,000.

The Small Loan Advantage program is available to lenders participating in the Preferred Lenders Program. SBA lenders who are not participating in the Preferred Lenders Program can contact their local district office to apply.

The Community Advantage pilot program opens up 7(a) lending to mission-focused, community-based lenders – such as Community Development Financial Institutions (CDFIs), Certified Development Companies (CDCs), and microlenders – that provide technical assistance and economic development support in underserved markets.

More information on both programs is available at www.sba.gov/advantage.

CAPLines

The CAPLines program is designed to help small businesses meet their short-term and cyclical working capital needs. 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; and consolidate short-term debt. SBA provides up to an 85 percent guarantee. There are four distinct loan programs under the CAPLine umbrella:

- The **Contract Loan Program** is used to finance material, labor, and overhead needs for a specific contract or contracts.
- 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 **Builders Line Program** provides financing for small contractors or developers to construct or rehabilitate residential or commercial property.
- The **Working Capital Line** is a revolving line of credit that provides short term working capital.

EXPORT ASSISTANCE

The SBA has several programs to help existing small businesses wanting to export goods and services. A brief description of each can be found below.

Export Working Capital Program

The SBA's Export Working Capital program (EWCP) 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 of credit. The maximum dollar amount of an export line of credit under this program is \$5 million. SBA guarantees up to 90 percent of a loan amount or \$ 4.5 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 a new 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. For information, see www.sba.gov/exportloans.

Eligibility of Exporter

The business 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.

Eligibility of Foreign Buyers

The foreign buyer must be a creditworthy entity and the methods of payment must be acceptable to the SBA and the export lender.

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.

International Trade Loan Program

The SBA's International Trade Loan program (ITL) 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 a maximum loan amount of \$5 million. The international trade loan provides an SBA guarantee up to \$ 4.5 million for 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. It may also be used for working capital or in conjunction with any SBA working capital loans, including the EWCP. The SBA guaranty 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 that 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 that will be used within the United States for producing goods or services.

- Refinancing a facility/building is also permissible if the original loan on the property could have been refinanced under regular 7(a).

Collateral Requirements

See pg. 20 for collateral requirements.

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.


DON'T GET



SQUEEZED BY THE

CREDIT CRUNCH

AS A PREFERRED LENDER, we review your loan on behalf of the Small Business Administration (SBA), for a quick response to your loan request. We have a proven track record of providing solutions for local businesses (like yours) through SBA financing – and a knowledgeable Citizens Banker works with you every step of the way.

DON'T WAIT. APPLY NOW! Contact us at **1-877-660-6080** or visit **CITIZENSBANKING.COM/SBA** to apply today.



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Export Express

The Export Express program is designed to help SBA meet the export financing needs of small businesses. It is 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 \$500,000. SBA guarantees 90 percent for loans of \$350,000 and under and 75 percent for loans greater than \$350,000 up to the maximum of \$500,000. SBA allows participating lenders to make their own credit decisions. SBA provides a quick processing time, less than 36 hours.

Eligibility of Exporter

You must have a business 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.

Eligibility of Foreign Buyers

The foreign buyer must be a creditworthy entity and the methods of payment must be acceptable to the SBA and the export lender.

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 terms 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 revolving line 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.

U.S. Export Assistance Center (USEAC)

U.S. Export Assistance Centers are a network of facilities around the U.S. staffed by SBA, the U.S. Department of Commerce and the Export-Import Bank of the U.S. to provide trade promotion and export-finance assistance for small businesses in a single location. The USEACs also work closely with other federal, state and local international trade organizations. To find the nearest USEAC, go to www.export.gov/eac.

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 • 313-226-3657 Fax
john.o'gara@trade.gov

For more information on all export finance programs, please call John O'Gara at 313-226-3670.

Detroit U.S. Export Assistance Center
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

1025 Campus Dr. S., Bldg. 47 W.
Waterford, MI 48328
248-975-9600 • 248-975-9606 Fax

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504 Loan Program

Finance and refinance commercial real estate and equipment

- Up to 90% financing available • Extend lender limits
- Long-term, fixed-rate financing

SBA 7(a) Loan Packaging

Working capital, business acquisition and debt refinancing

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- Guaranteed loan program—up to 85% SBA guaranty

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Michigan Certified Development Corporation
www.michigancdc.org | tel 517.886.6612

CERTIFIED DEVELOPMENT COMPANY LOAN PROGRAM (504 LOANS)

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. Some refinancing is also permitted. 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 SBA-approved 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, or long-term loan, is:

- \$5 million for businesses that create a certain number of jobs or improve the local economy;
- \$5 million for businesses that meet a specific public policy goal, including veterans; and
- \$5.5 million for manufacturers and energy public policy projects.

Recent additions to the program allow \$5.5 million for each project that reduces the borrower's energy consumption by at least 10 percent; and \$5.5 million for each project that generates renewable energy fuels, such as biodiesel or ethanol production. Projects eligible for up to \$5.5 million under one of these two requirements do not have to meet the job creation or retention requirement, so long as the CDC portfolio average is at least \$65,000.

- 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 percent SBA-guaranteed debenture) finances up to 40 percent 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.
- 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 \$15 million, net profit after taxes under \$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 staffs work directly with borrowers to tailor a financing package that meets program guidelines and the credit capacity of the borrower's business. For information, visit www.sba.gov/504 or contact the nearest CDC as listed below:


Economic Development Foundation-Certified

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


Lakeshore 504

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

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www.lakeshore504.org/
dmiller@grandhavenchamber.org

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15100 Northline Rd.
Southgate, MI 48195
734-362-3447

Michigan Certified Development Corp.

2311 E. Stadium Blvd., Ste. 212, Rm. #1
Ann Arbor, MI 48104
734-222-4954 • 734-222-4995 Fax
www.michigancdc.org
weissp@michigancdc.org

Michigan Certified Development Corp.

Northern Michigan
Cadillac, MI
231-878-1302 • 517-886-6619 Fax
www.michigancdc.org
merriittd@michigancdc.org

Michigan Certified Development Corp.

3737 Coolidge Rd., Ste. 2
East Lansing, MI 48823
517-886-6612 • 517-886-6619 Fax
www.michigancdc.org
info@michigancdc.org

Michigan Certified Development Corp.

Greater Grand Rapids Office
500 Northland Dr. N.E., Ste. 307
Rockford, MI 49341
616-560-5486 • 616-884-0392 Fax
www.michigancdc.org
hutchingsk@michigancdc.org

Michigan Certified Development Corp.

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

Oakland County Business Finance Corporation

2100 Pontiac Lake Rd., Dept. 412
Bldg. 41 W.
Waterford, MI 48328-0412
248-858-0765 • 248-975-9555 Fax
www.oakgov.com/globaloakland/business_services/financing.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/
info@resourcecapital.com

SEM Resource Capital

146 Monroe Center N.W., Ste. 1330
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 \$50,000 to women, low-income, minority, veteran, and other small business owners through a network of approximately 160 intermediaries nationwide. Under this program, the SBA makes funds available to nonprofit intermediaries that, in turn, make the small loans directly to entrepreneurs, including veterans. Proceeds can be used for typical business purposes such as working capital, or the purchase of furniture, fixtures, machinery, supplies, equipment, and inventory. Microloans may not be used for the purchase of real estate. Interest rates are negotiated between the borrower and the intermediary. The maximum term for a microloan is 7 years.

The program also provides business based training and technical assistance to microborrowers and potential microborrowers to help them be successful at starting or growing their businesses. Such training and technical assistance may include general business education, assistance with business planning industry-specific training, and other types of training support. Entrepreneurs and small business owners interested in small amounts of business financing should contact one from the list below or go to www.sba.gov/microloans or 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.miceed.org
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 below).

The Small Business Detroit Microloan Program

19560 Grand River
Detroit, MI 48223
313-255-1020
www.miceed.org
Covers City of Detroit.

Detroit Micro-Enterprise Fund

440 Burroughs, Ste. 140
Detroit, MI 48202
313-263-4032 • 313-972-1716 Fax
microfund@sbcglobal.net
www.detroitmicroenterprisefund.org
Covers cities of Detroit, Ecorse, Hamtramck, Highland Park, Pontiac, and River Rouge
Covers City of Detroit.

Northern Initiatives

Northern Michigan University
Jacobetti Center, Ste. 202
1401 Presque Isle Ave.
Marquette, MI 49855
906-228-5571 • 906-228-5572 Fax
http://northerninitiatives.com
Covers Alcona, Alpena, Antrim, Arenac, Benzie, Cheboygan, Charlevoix, Clare, Crawford, Emmet, Gladwin, Grand Traverse, Iosco, Isabella, Kalkaska, Lake, Leelanau, Manistee, Mason, Mecosta, Missaukee, Montmorency, Newaygo, Oceana, Ogemaw, Osceola, Oscoda, Otsego, Presque Isle, Roscommon and Wexford counties.

Cornerstone Alliance Small Business Services

38 W. Wall St.
Benton Harbor, MI 49023
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. The Small Business Investment Company (SBIC) program fills the gap between the availability of private capital and the needs of small businesses for growth capital. Licensed and regulated by the SBA, SBICs are privately owned and managed investment funds that make capital available to qualifying U.S. small businesses at attractive rates. The funds raise private capital and can receive SBA-guaranteed leverage up to 3x private capital paid-in, with a leverage ceiling of \$150 million per SBIC and \$225 million for two or more licenses under common control. Licensed SBICs are for-profit investment firms whose incentive is to share in the success of a small business. The SBIC program provides funding for a broad range of industries. Some SBICs invest in a particular field or industry while others invest more generally. For more information, visit www.sba.gov/inv or contact the Michigan District Office at 313-226-6075 or call one of the following 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

SMALL BUSINESS INNOVATION RESEARCH PROGRAM

The Small Business Innovation Research (SBIR) program encourages small businesses to advance their technical potential from funds

committed by federal agencies with large extramural research and development budgets. The SBIR 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 for-profit.
- Principal researcher must be employed by the small business.
- Company size cannot exceed 500 employees.

For more information on the SBIR Program visit www.sba.gov/sbir.

Participating Agencies

Each year, the following eleven federal departments and agencies are required to reserve 2.5 percent of their extramural R&D funds for award to small businesses through the SBIR program: 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.

SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

The Small Business Technology Transfer (STTR) program reserves a specific percentage of federal R&D funding for award to small business and non-profit research institution partners. Central to the program is expansion of the public/private sector partnership to include the joint venture opportunities for small business and the nation's premier nonprofit research institutions.

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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. Non-profit research laboratories are also instrumental in developing high-tech innovations, but frequently innovation is confined to the theoretical. 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 for-profit.
- Principal researcher need not be employed by the small business.
- 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.

Participating Agencies

Each year the following five Federal departments and agencies are required by STTR to reserve 0.3 percent of their extramural 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.

SURETY BOND GUARANTEE PROGRAM

The Surety Bond Guarantee program is a public-private partnership between the federal government and surety companies to provide small businesses with the bonding assistance necessary for them to compete for public and private contracting and subcontracting

opportunities. The guarantee provides all incentives for sureties to bond small businesses that would otherwise be unable to obtain bonding. The program is aimed at small businesses that lack the working capital or 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 ancillary bonds issued by surety companies for individual contracts and subcontracts up to \$2 million. The SBA reimburses sureties between 70 and 90 percent of losses sustained if a contractor defaults on 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 surety's paid losses and expenses on bonded contracts up to \$100,000, and on bonded contracts greater than \$100,000 that are awarded to socially and economically disadvantaged concerns, HUBZone contractors, and veterans, and service-disabled veteran owned small businesses. 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 Plan B, SBA guarantees 70 percent, but sureties may issue, monitor and service bonds without SBA's prior approval.

Participating Surety companies that work with Michigan companies include:

Arthur J. Gallagher Risk Management Services, Inc.

Itasca, IL
630-694-5460
randy_moon@aig.com

Barbour Group, LLC

Westminster, MD
410-876-9610
info@thebarbourgroup.com

Blair Insurance Services, Inc.

Altoona, PA
814-946-9486
blairbonni@aol.com
www.blair-insurance.com

CCI Surety, Inc.

Golden Valley, MN
763-543-6993
www.ccisurety.com

Construction Bonding Specialists, LLC

Wixom, MI
248-349-6227

Dawson Insurance, Inc.

Cleveland, OH
440-333-9000
www.DawsonCompanies.com

KPS Insurance Services, Inc.

San Diego, CA
858-538-8822

Mapes Insurance Agency, Inc.

Grand Rapids, MI
616-453-8600
dscully@mapesinsurance.com

Surety Bond Solutions Agency, LLC

Grosse Pointe Farms, MI
586-498-9780
thomas@sbsagency.com
http://sbsagency.com

The Surety Group Agency, LLC

Atlanta, GA
404-352-8211
kelly@suretygroup.com
www.suretygroup.com

Viking Bond Service, Inc.

Peoria, AZ
623-933-9334 ext. 16
cynthiab@vbsbond.com

Wells Fargo Insurance Services USA, Inc.

Colorado Springs, CO
719-592-1177
christina_schulman@wellsfargois.com
christina.schulman@wellsfargo.com

Zervos Group

Southfield, MI
248-355-4411
angelog@zervosgroup.com



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- SBA Community for news and information

Some pages may change URLs on the upgraded site. Please consult www.sba.gov or your local SBA district office for assistance.



7(a) Loan Program

Program	Maximum Amount	Use of Proceeds	Maturity	Maximum Interest Rate	Structure	Who Qualifies	Benefit to Borrowers
Standard 7(a): Applicant applies for business loan to lender; Lender applies to SBA for guaranty of their proposed loan if they determine it is necessary. Loan from lender, not SBA.	\$5 million to any one business, including affiliates	Expansion/renovation; new construction, purchase land or buildings; purchase equipment, fixtures, lease-hold improvements; working capital; inventory, business acquisition, start-ups and refinancing under certain conditions (discuss with lender).	Depends on use of proceeds and ability to repay. Generally working capital and machinery & equipment loans have 5-10 years; real estate is up to 25 years. Term negotiated with lender.	SBA sets a maximum rate for both variable and fixed rate loans (discuss with lender or local SBA District Office for current information).	Term loan with one payment of principal and interest (P&I) each month. Interest variable or fixed as negotiated with lender. Cannot be revolving. SBA charges a Guaranty Fee **	Must be for-profit and meet SBA size standards; show good character, credit, management, and ability to repay; must be an eligible type of business, use proceeds for eligible purpose, and demonstrate that credit is not otherwise available.	Business able to obtain financing which otherwise would not be provided due to term, collateral, equity, and/or time in business. Fixed maturity; No balloons; No prepayment penalty if maturity under 15 years. Establish or re-affirm business relationship with a lender.
International Trade: Long term financing to help businesses engaged in exporting or adversely impacted by imports.	Same as Standard 7(a).	Acquire, renovate, modernize facilities or equipment used in making products or services to be exported, plus permanent working capital and refinance debt not structured with reasonable terms.	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a). Maximum SBA guaranty amount for working capital is \$4 million.	Same as Standard 7(a) plus businesses must be engaged or preparing to engage in international trade or adversely affected by competition from imports.	Same as Standard 7(a) plus long-term financing for fixed assets used to produce products or services for export.
Export Working Capital Program: Single transaction or Revolving Working Capital lines of credit for exporters.	Same as Standard 7(a).	Short-term, working-capital for exporters. Can be single transaction or revolving. Standby Letters of Credit for export purposes.	Generally one year, but can be up to 3 years to match a single transaction cycle.	Established by lender. No SBA established maximums.	Short term revolving line of credit based on borrowing base or export purchase orders. Monthly interest payments; principal payments based on collection of foreign receivables.	Same as Standard 7(a) plus must have been in business for at least one year and preparing to engage in or increase international trade.	Same as Standard 7(a) plus provides working capital to American Exporters to perform on export transactions and/or finance export receivables. Ability to finance standby letters of credit for export purposes.
CAPLines: Four different Revolving Lines of Credit, a/k/a Seasonal, Contract Builders, Working Capital	Same as Standard 7(a).	Finances: seasonal working capital needs, direct cost to perform assignable contracts, construction costs of structure for resale, or advances against existing inventory and receivables.	Up to 10 years.	Same as Standard 7(a).	Revolving line of credit with monthly interest and principal payments based on when the business receives the cash for doing the activity the loan proceeds financed.	Same as Standard 7(a) plus a business that needs the specialized proceeds this program offers.	Same as Standard 7(a) plus provides revolving working capital not otherwise available to perform on an assignable contract, to cover seasonal needs, to build or renovate personal or commercial space, and to obtain funds against existing current assets. Also structured to meet business needs.
SBAExpress: Lender approves the loan.	\$350,000.	Same as a Standard 7(a) or may be used for a revolving working capital line of credit.	Same as Standard 7(a) for term loans, Revolving lines of credit up to 7 years.	Loans \$350,000 or less: Prime + 6.5%. Loans over \$50,000: Prime + 4.5%.	Same as Standard 7(a) except lender has more leeway to structure repayment under their own rules.	Same as Standard 7(a).	Same as Standard 7(a) plus Streamlined process; Easy-to-use line of credit and allows for a revolving feature which Standard 7(a) does not.

**** The SBA charges the lender a guaranty fee based on the loan's maturity and the dollar amount which is initially guaranteed. The lender can pass this expense to the borrower and loan proceeds can be used to reimburse the lender. The following chart explains the Agency's guaranty fee charges**

7(a) Loans, continued

Program	Maximum Amount	Use of Proceeds	Maturity	Maximum Interest Rate	Structure	Who Qualifies	Benefit to Borrowers
Export Express: Lender approves the loan.	\$500,000.	Same as SBA Express plus can be used for Standby Letters of Credit for Export Purposes. Debt Refinance is not allowed.	Same as SBA Express.	Same as SBA Express.	Same as SBA Express.	Same as SBA express plus loan proceeds must be used to support export development activity.	Same as SBA Express plus provides lenders with a higher percentage guaranty which can encourage them to make more loans to finance export development activities of small businesses. Standby Letters of Credit are also authorized.
Patriot Express: Lender approves the loan.	\$500,000.	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a).	Same as SBA Express.	Same as Standard 7(a) plus must be owned & controlled by one or more of the following groups equaling at least 51% total ownership: veteran, active-duty military, reservist or National Guard member or spouse of any of these groups, or widowed spouse of service member or veteran who died during service or of service connected disability.	Same as SBA Express plus provides lenders with a higher percentage of guaranty which can encourage them to make more loans to qualified businesses.
Community Advantage: Alternative Lenders assisting businesses located in areas with high needs.	\$250,000.	Same as Standard 7(a) except cannot be used to refinance loans made by or guaranteed by the Dept. of Agriculture or loans by SBA Micro-Lenders using their SBA intermediary loan.	Same as Standard 7(a).	Same as Standard 7(a) except allowable "Spread" is + 4% over the base rate.	Allows mission-oriented lenders focused on economic development in underserved markets to apply for 7(a) guaranty on loan they propose to make to an eligible small business.	Loan eligibility requirements are same as for Standard 7(a) loans, but the business should be located in an underserved market .	Borrowers in underserved markets get more choices on the types of lenders who can provide them financing if their financing needs an SBA guaranty and the technical assistance needs of the applicant are assessed by the lender.

Non 7(a) Loans

504 Loans: Fixed Asset Project Financing provided from three sources.	SBA portion up to \$5.0 million.	For the acquisition of long-term fixed-assets, refinancing long term fixed asset debt under certain conditions, and working capital on a limited basis.	Either 10 or 20 year term on the SBA/ CDC portion.	Check with local SBA District Office for current information.	Financing from 1. <i>The CDC Certified Development Company</i> 2. <i>Third Party Lenders</i> 3. <i>Applicant</i>	For profit businesses that do not exceed \$15.0 million in tangible net worth and do not have an average net income over \$5 million for the past 2 years.	Fees under 3 percent; long-term fixed rate; low down payment; full amortization; no balloons.
Micro-Loans	\$50,000 total to one small business borrower.	Furniture, fixtures, supplies, inventory, equipment, and working capital.	Shortest term possible, not to exceed 6 years.	Check with local SBA District Office for locations of locally available intermediary lenders and then check with them.	Loans through non- profit lending organizations; technical assistance also provided.	Same as 7(a) – plus loans can be made to non-profit day care businesses.	Direct loans from nonprofit intermediary lenders; Fixed-rate financing; Very small loan amounts; Technical assistance available.

7(a) Guaranty Fee Reference Chart	Gross Size of Loan	Fees	Notes
	Loans of \$150,000 or less (See Note 1)	2% of guaranteed portion, Lender is authorized to retain	Maturities that exceed 12 months
\$150,001 to \$700,000	3% of guaranteed portion	Maturities that exceed 12 months	
\$700,001 to \$5,000,000 (See Note 2)	3.5% of guaranteed portion up to \$1,000,000 PLUS 3.75% of the guaranteed portion over \$1,000,000	Maturities that exceed 12 months	
Short Term Loans – up to \$5 million	0.25% of the guaranteed portion	Maturities of 12 months or less	

NOTE 1: The guaranty fee on a \$100,000 loan with an 85% guaranty would be 2% of \$85,000 or \$1,700, of which the lender would retain \$425.

NOTE 2: The guaranty fee on a \$2,000,000 loan with a 75% guaranty (\$1.5 million guaranteed portion) would be, 3.5% of \$1,000,000 (\$35,000) PLUS 3.75% of \$500,000 (\$18,750), for a total of \$53,750

MEET THE SBA 100

The U.S. Small Business Administration provides small businesses with the tools and the resources they need to grow and create jobs. This includes access to capital, opportunities in government contracting, and counseling and training—otherwise known as the “Three C’s” of capital, contracting, and counseling. Since its inception in 1953, the SBA has used the Three C’s to help millions of businesses, from shops on Main Street to high-growth, high-impact firms.

In August, 2011, the SBA announced the SBA 100. These one hundred businesses all used SBA products to grow, and since then, each one has created at least one hundred jobs—no small feat for a small business. You can find them at www.sba.gov/100.

The SBA 100 is a cross section of the diverse array of businesses that stand to benefit from SBA products. Some of the businesses in the SBA 100 have grown to become household names. Others may not be familiar, but they are still cornerstones of their communities and drivers of job creation. There are businesses in a variety of industries, from construction, to food and beverage, to manufacturing. There are Main Street businesses—the shops and restaurants that we visit every day—as well as high-growth, high-impact firms that are transforming our economy. Each business received SBA support, in the form of capital, contracting, or counseling, before going on to create at least 100 jobs.

A few businesses in the SBA 100 worked with the SBA decades ago. For example, Columbia Sportswear used an SBA loan in 1970 to increase its production capacity. At the time, it had forty employees. Today Columbia Sportswear has over 3,000 employees and generates over \$1 billion dollars in revenue. Hard work and a little help from the SBA has made Columbia Sportswear into a global leader in outdoor apparel.

Meanwhile, one of the youngest companies in the SBA 100 is the Boathouse at Rockett’s Landing in Richmond, Virginia. Owner Kevin Healy got an SBA 7(a) loan in 2009 to renovate an old power plant on the James River to open up his second restaurant. He said the process was “quick, easy and painless and done within approximately 60 days.” His business has been growing steadily for the past two years, and the Boathouse at Rockett’s Landing now employs over 100 people.

The SBA 100 isn’t just businesses that have received SBA loans. In 1985, Qualcomm was a small company proving R&D to the federal government, but not for long. In 1989, the company received funding from the Small Business Innovation Research (SBIR) program to hire engineers and begin developing microchips. This funding gave them the freedom to innovate, explore, and transition from contract research to consumer applications. In twenty years, Qualcomm has gone from 35 people to a global workforce of 16,000 employees. The chip department initially funded by the SBIR program now makes up two-thirds of the company’s revenue.

There are also businesses that have benefited from SBA’s support for small business contracting. Missouri’s World Wide Technology (WWT) enrolled in SBA’s 8(a) Business Development program in 1992. The 8(a) program gave the company the tools it needed to compete for and win government contracts. Now, WWT has over 1,300 employees in 48 states and six countries, and its sales exceed \$68 million.

The fact is, the SBA has something to offer, no matter what kind of support you need or what kind of business you own. Whether you’re just starting out, or you have been in business for decades, the SBA can help you take your business to the next level. If you own a restaurant on Main Street, you can get a loan to expand. If you own a high-growth firm, you can get the investment capital you need. If you are looking to get into government contracting, SBA can help you get started. And for every business, SBA counselors are standing by to help you along the way.

This Resource Guide is a great place to learn more. In here, you can find details on all of SBA’s programs, from loans and capital, to contracting and counseling. You can also find SBA online at www.sba.gov. SBA recently revamped its website, making the information and resources you need much easier to find. Meanwhile, the SBA online Community, which you can find at community.sba.gov, puts the advice of thousands of small business owners like you at your fingertips. You can also visit www.sba.gov/direct to find your SBA district office or local resource partner.

Thanks for reading, and we’ll see you soon.

CONTRACTING

Applying for Government Contracts



The U.S. government is the largest single purchaser of goods and services in the world, buying everything from armored tanks to paper clips. Every year, the federal government awards more than \$500 billion in contracts, and a significant share of those contracts are specifically allotted to small businesses.

The SBA works with agencies to award at least 23 percent of all prime government contracts to small businesses, with specific statutory goals for small disadvantaged businesses, businesses that are women-owned or service-disabled veteran-owned, or businesses that are located in historically underutilized business zones (HUBZone).

The agency ensures that small businesses have access to long-lasting development opportunities, which means working with small businesses to help them stay competitive, as well as encouraging federal agencies to award more contracts to small businesses. The SBA features outreach programs, matchmaking events, and online training opportunities; and helps agencies identify opportunities for small businesses.

HOW GOVERNMENT CONTRACTING WORKS

Sealed bidding vs. Negotiation

There are two methods the government uses to purchase goods and services, sealed bidding and negotiation. The first method, sealed bidding, involves issuing an invitation for bid by a procuring agency. Under the sealed bidding method, a contract is usually awarded to the lowest priced bidder that can meet the quantity, quality and delivery requirements of the procurement. The second method, negotiation, involves issuing a request for proposal or request for quotation.

The business with the best proposal in terms of technical content, price and other factors generally wins the contract.

Types of Contracts

Firm fixed price contracts place the responsibility for the costs and risk of loss on the contractor. Firm fixed price contracts do not permit any adjustment on the basis of the contractor's costs during the performance of the contract. This type of contract is used in all sealed bid and some negotiated procurements.

Cost reimbursement contracts provide for the payment of allowable costs incurred by the contractor, to the extent stated in the contract. The contract establishes a ceiling price, above which a contractor may not exceed without the approval of the contracting officer. Cost reimbursement contracts are used in research contracts that have commercial applicability.

Some contracts do not fit neatly into these two categories, such as time and material contracts (prices for hourly wages are fixed but the hours are estimated) and letter contracts (authorizes a contractor to begin work on an urgent requirement).

Small Business Set-Asides

A "set-aside" for small businesses reserves an acquisition exclusively for small business participation. There are two ways in which set-asides can be determined. First, if an acquisition of goods or services has an anticipated dollar value of at least \$3,000 but not exceeding \$150,000, it is automatically reserved for small businesses. The acquisition will be set aside only if the contracting officer determines there are two or more responsible small businesses that are competitive in terms of market prices, quality and delivery. Second, if an acquisition of goods or services is more than \$150,000, and if it's likely offers will be obtained

from at least two responsible small businesses, and if awards will be made at fair market prices, the acquisition is reserved exclusively for small business. Reasonable expectations of small business competition may be evaluated using past acquisition history of an item or similar items.

There are several exceptions and unique rules for specific kinds of small businesses and industries. For R&D small business set-asides, there must be a reasonable expectation of obtaining from small businesses the best scientific and technological sources consistent with the demands of the proposed acquisition. For small business set-asides other than for construction services, any business proposing to furnish a product that it did not itself manufacture must furnish the product of a small business manufacturer unless the SBA has granted either a waiver or exception to this requirement. In industries where the SBA finds that there are no small business manufacturers, it may issue a waiver to the non-manufacturer rule. Waivers permit small businesses to provide any domestic firm's product.

Subcontracting

Subcontracting opportunities are a great resource for small businesses, especially to those not ready to bid as prime contractors. Experience gained from subcontracting with a federal prime contractor can better prepare businesses to bid for prime contracts.

Current regulations stipulate for contracts offering subcontracting opportunities over \$650,000 for goods and services, or \$1.5 million for construction, large business prime contractors must offer maximum practicable subcontracting opportunities to small businesses. Large business prime contractors must submit a subcontracting plan describing how they will successfully subcontract to small businesses.

To find subcontracting opportunities, a list of Federal prime contractors is available through SBA's Subcontracting Directory at www.sba.gov and www.gsa.gov. Research the list of prime contractors and determine which are best suited for your business. Develop a marketing strategy, and then contact the Small Business Liaison Officer listed for each prime to schedule an appointment.

What You Should Know About Your Business

To be eligible to bid on a federal contract, you must know your business. Answer the following three questions:

1. Are you a small business?

Is your small business:

- Organized for profit?
- Located in the U.S.?
- Operated primarily within the U.S. or making a significant contribution to the U.S. economy through payment of taxes or use of American products, materials, or labor?
- Independently owned and operated?
- Not dominant in the field of operation in which it is bidding for government contracts?
- A sole proprietorship, partnership, corporation, or any other legal form?

If the first six criteria apply to your business, ask yourself the second important question to find out if your business meets size standard requirements.

2. What is the size standard for your business?

Size standards are used to determine whether a business is small or “other than small.” Size standards vary depending upon the industry. To determine the size standard for your business, you will need a NAICS code. Every federal agency uses these codes when considering your business. To determine your NAICS code, go to www.census.gov/eos/www/naics/.

Some SBA programs require their own unique size standards. To find out more about these requirements and other size standard information, go to www.sba.gov/size.

3. Do you fall under a specific certification?

Under the umbrella of “small business,” SBA has outlined several specific certifications that businesses may fall under. These certifications are divided into two categories: SBA-Certified and Self-Certified.

The SBA-Certified Programs were created to assist specific businesses in securing federal contracts and therefore can only be issued by SBA administrators. For the Self-Certified Programs, you can determine for yourself if your business meets the requirements by referring to the Federal Acquisition Regulations (FAR).

Just as Congress has given federal agencies a goal of procuring 23 percent of federal contracts from small businesses, so too must federal agencies meet specific contracting goals for other categories of small firms. These goals are:

- 5 percent of contracts go to Small Disadvantaged Businesses
- 5 percent go to Women-Owned Small Businesses
- 3 percent go to Service-Disabled Veteran-Owned Small Businesses
- 3 percent go to HUBZone Small Businesses

Federal agencies have a strong incentive to fulfill these contracting goals. You should apply for those SBA-Certified and Self-Certified programs for which you qualify to take advantage of contracting opportunities.

- It must be a small business by SBA size standards
- It must be owned and controlled at least 51 percent by U.S. citizens, or a Community Development Corporation, an agricultural cooperative, or an Indian tribe
- Its principal office must be located within an “Historically Underutilized Business Zone,” which includes lands considered “Indian Country” and military facilities closed by the Base Realignment and Closure Act
- At least 35 percent of its employees must reside in a HUBZone. Existing businesses that choose to move to qualified areas are eligible to apply for certification. To fulfill the requirement that 35 percent of a HUBZone firm’s employees reside in a HUBZone, employees must live in a primary residence at a place for at least 180 days, or as a currently

registered voter, and with intent to live there indefinitely.

SBA is responsible for:

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

For additional information, visit www.sba.gov/hubzone.

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 PTAC
Big Rapids 231-796-4484

Wayne State University – PTAC
Detroit 313-577-2241

Michigan Works! The Job Force Board
Escanaba 906-789-0558 ext. 244

Genesee Regional Chamber of Commerce
Flint 810-600-1432 or 810-600-1438

MEDC Procurement Office
Grand Rapids 616-301-9100

Procurement 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

SBA CONTRACTING PROGRAMS HUBZONE

The HUBZone program helps small businesses located in distressed urban and rural communities, known as Historically Underutilized Business Zones, gain access to federal set-aside contracts and sole source contracts, as well as a price evaluation preference in full-and-open contract competitions. There is a statutory requirement that HUBZone small business concerns be awarded not less than 3 percent of the total value of all prime contract awards. The HUBZone program also establishes preference for award of federal contracts to small businesses in these areas. To qualify for the program, a business must meet the following criteria:

Macomb Regional PTAC
Thumb Area Satellite Office
Marlette 989-635-0063

Muskegon Area First PTAC
Muskegon 231-722-7700

N.E. Michigan Consortium
Onaway 989-733-8540

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

Downriver Community Conference
Southgate 734-362-3480

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

Macomb Regional PTAC
Warren 586-498-4122

8(a) BUSINESS DEVELOPMENT PROGRAM

The 8(a) Business Development program is a nine year program established to assist eligible socially and economically disadvantaged individuals develop and grow their businesses. Business development assistance includes one-to-one counseling, training workshops, and other management and technical guidance. There is a statutory requirement that small disadvantaged business concerns be awarded not less than 5 percent of the total value of all prime contract awards. All firms that become eligible for SBA's 8(a) business development assistance are also considered small disadvantaged business concerns for federal contracting. To be eligible for the 8(a) Business Development program, a business must meet the following criteria:

- It must be a small business by SBA size standards;
- It must be owned (at least 51 percent) by one or more individuals who qualify as socially and economically disadvantaged, and who are US citizens of good character;
- It must be controlled, managed, and operated by one or more individuals who qualify as disadvantaged, and;
- It must demonstrate potential for success (generally by being in business for at least two full years) before applying.

Socially disadvantaged individuals are those 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, Alaska Natives or Native Hawaiians, Hispanic

Americans, Asian Pacific Americans, and Subcontinent Asian Americans. An individual who is not a member of one of these groups must establish individual social disadvantage by a preponderance of evidence. 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.

Firms owned by Alaska Native Corporations, Indian Tribes, Native Hawaiian Organizations, and Community Development Corporations can also apply to the SBA for 8(a) business development assistance.

So that approved firms can obtain training, counseling, and business development assistance, SBA designates a staff person at a local SBA District Office - geographically near the business. SBA is responsible for:

- Determining whether a business qualifies for the 8(a) Business Development program
- Determining whether a business continues to qualify, during the nine-year term.
- Approving Mentor/Protégé agreements between 8(a) firms and large businesses.

For additional information, visit www.sba.gov/8a.

SMALL DISADVANTAGED BUSINESS

A Small Disadvantaged Business (SDB) is defined as a small business that is at least 51 percent owned and controlled by one or more individuals who are socially and economically disadvantaged.

There is a federal government-wide goal of awarding at least 5 percent of prime contracting dollars to SDBs each year. Large prime contractors must also establish a subcontracting goal for SDBs in their Subcontracting Plans.

Firms self-certify as SDB without submitting any application to SBA; however, firms approved by SBA into the 8(a) Business Development program are automatically certified as an SDB. To self-certify, firms should update their Central Contractor Registration (CCR) profiles and their Online Representations and Certifications Application (ORCA) profiles, at www.bpn.gov/ccr/ and <https://orca.bpn.gov>, making sure that both profiles reflect their SDB status.

SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS

The Service-Disabled Veteran-Owned Small Business (SDVOSB) program has a federal government-wide goal of awarding at least 3 percent of prime and subcontracting dollars to Service-Disabled Veteran-Owned Small Businesses each year. Large prime contractors must also establish a subcontracting goal for Veteran-Owned Small Businesses in their Subcontracting Plans. These subcontracting goals are reviewed at time of proposal by both the contracting officer and SBA prior to the award of a contract.

When a business's SDVOSB self-certification is challenged, SBA determines if the business meets the status, ownership, and control requirements. The SDVOSB Protest is administered by SBA to ensure that only businesses owned by service-disabled veterans receive contracts reserved exclusively for them.

To determine your eligibility, contact your local veterans business development officer, visit the various program websites, or contact SBA's Office of Veterans Business Development at www.sba.gov/vets.

WOMEN-OWNED SMALL BUSINESS FEDERAL CONTRACT PROGRAM

On October 7, 2010, the SBA published a final rule effective February 4, 2011, aimed at expanding federal contracting opportunities for women-owned small businesses. The Women-Owned Small Business Federal Contract program authorizes contracting officers to set aside certain federal contracts for eligible women-owned businesses and economically disadvantaged women-owned small businesses.

To be eligible, a firm must be at least 51 percent owned and controlled by one or more women. The women must be U.S. citizens. The firm must be "small" in its primary industry in accordance with SBA's size standards for that industry. To be deemed "economically disadvantaged" its owners must demonstrate economic disadvantage in accordance with the requirements set forth in the final rule. For additional information, visit www.sba.gov/wosb.

GETTING STARTED IN CONTRACTING

Once you have identified the important information regarding your business, it is time to start the process of procuring a government contract.

1. Identify your DUNS (Data Universal Numbering System) number

To register your business, obtain a DUNS number used to identify and track millions of businesses. You can obtain your free DUNS number when registering with the CCR (Central Contractor Registration) at www.ccr.gov or by contacting Dun & Bradstreet at www.dnb.com.

2. Identify your EIN (Employer Identification Number)

An EIN, otherwise known as a federal tax identification number, is generally required of all businesses. For more information, go to www.irs.gov.

3. Identify your NAICS (North American Industry Classification) codes

The NAICS codes are used to classify the industry a particular business occupies. You will need at least one NAICS code to complete your registration, but be sure to list as many as apply. You may also add or change NAICS codes at any time. To find NAICS code, visit www.census.gov/eos/www/naics/.

4. Identify your SIC (Standard Industrial Classification) codes

The SIC codes are four-digit numbers that are used to classify the industry a particular business occupies. While NAICS codes have largely replaced SIC codes, you will still need to provide your SIC code. SIC codes can be found at www.osha.gov/pls/ims/sicsearch.html.

5. Register with the CCR (Central Contractor Registration)

The CCR is an online federal government-maintained database of companies wanting to do business with the federal government. Agencies search

the database for prospective vendors. The CCR is at www.ccr.gov.

After completing registration, you will be asked to enter your small business profile information through the SBA Supplemental Page. The information will be displayed in the Dynamic Small Business Search.

Creating a profile in CCR and keeping it current ensures your firm has access to federal contracting opportunities. Entering your small business profile, including your business information and key word description, allows contracting officers, prime contractors, and buyers from state and local governments to learn about your company.

6. Use ORCA (Online Representations and Certifications Application)

Prospective contractors must complete (electronically or through submission of paperwork) representations and certifications for small business size and program status as part of the process that registers the business for federal contracting opportunities. To make this process easier for everyone involved, the government developed ORCA, where generally, businesses can complete all of the paperwork online. To begin this process, first register your firm in CCR, then go to www.orca.bpn.gov.

7. Register with the GSA Schedule

The GSA (General Services Administration) Multiple Award Schedule (aka Federal Supply Schedule) is used by GSA to establish long-term, government-wide contracts with commercial firms. Once these contracts are established, government agencies can order the supplies and services they need directly from the firms through the use of an online shopping tool. Becoming a GSA schedule contractor increases your opportunity for contracts across all levels

of government. Businesses interested in becoming GSA schedule contractors should review the information available at www.gsa.gov/schedules.

8. Make Sure Your Business is Financially Sound

This critical step is absolutely necessary to make sure that your business is financially prepared for the journey ahead. Even if you are able to obtain a government contract, you will not be receiving all of the money at once. It helps to have a clear plan of how your business will stage the benefits of the contract.

9. Search FedBizOpps for contracting opportunities

Federal Business Opportunities, or FedBizOpps, is an online service operated by the federal government that announces available business opportunities. FedBizOpps helps identify the needs of federal agencies and available contracting opportunities. To begin searching for contracting opportunities, go to www.fbo.gov.

10. Marketing Your Business

Registering your business is not enough to obtain a federal contract; you will need to market your business to attract federal agencies. Tips for good marketing are:

- Determine which federal agencies buy your product or service, and get to know them;
- Identify the contracting procedures of those agencies;
- Focus on opportunities in your niche and prioritize them.

Although not required, you may want to obtain a PSC (Product Services Code) and/or a FSC (Federal Supply Classification). These codes provide additional information about the services and products your business offers.

ADDITIONAL PROCUREMENT RESOURCES

The following federal procurement resources may also be of assistance:

- **The Certificates of Competency program** allows a small business, that is the apparent successful offeror, to appeal a contracting officer's non-responsibility determination that it is unable to fulfill the requirements of a specific government contract. 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 capability to perform, the SBA issues a Certificate of Competency to the contracting officer, requiring award of that contract to the small

business.

- **PCRs (Procurement Center Representatives) and CMRs (Commercial Marketing Representatives):** PCRs work to increase the small business share of federal procurement awards. CMRs offer many services to small businesses, including counseling on how to obtain subcontracts. To find a PCR or CMR near you, go to www.sba.gov/sba-direct.
- **PTACs (Procurement Technical Assistance Centers):** PTACs provide assistance to businesses that want to sell products and services to federal, state, and/or local

government. To find a PTAC in your state, go to www.michigansbdc.com.

- **Department of Defense** (The DoD is the largest purchaser of goods from small businesses): www.acq.osd.mil/sadbu
- **Office of Federal Procurement Policy:** www.whitehouse.gov/omb/procurement
- **Acquisition Forecast:** www.acquisition.gov/comp/procurement_forecasts/index.html
- **Federal Supply Schedule (FSS):** www.gsa.gov
- **GSA Center for Acquisition Excellence:** www.gsa.gov/portal/content/103487

SBA DISASTER ASSISTANCE

Knowing the Types of Assistance Available for Recovery

The Disaster Assistance Program is SBA's largest direct loan program, and the only form of SBA assistance not limited to small businesses. SBA is responsible for providing affordable, timely and accessible financial assistance to homeowners, renters, businesses of all sizes and private, nonprofit organizations following declared disasters. By law, governmental units and agricultural enterprises are ineligible.

The SBA offers two types of disaster loans—Physical and Economic Injury Disaster Loans.

Home Physical Disaster Loans up to \$200,000 are available to eligible homeowners to repair or replace to its pre-disaster condition damaged or destroyed real estate not fully covered by insurance. Renters and homeowners alike may borrow up to \$40,000 to repair or replace clothing, furniture, cars, appliances, etc., that were damaged or destroyed in the disaster.

Business Physical Disaster Loans up to \$2 million are available to qualified businesses or private, nonprofit organizations of any size to help restore or replace damaged real estate, inventory, machinery, equipment and other business assets to its pre-disaster condition.

The SBA can also lend additional funds to homeowners and businesses to help with the cost of making improvements that protect, prevent or minimize the same type of disaster damage from occurring again.

Economic Injury Disaster Loans (EIDLs) are working capital loans available to qualified small businesses, private nonprofit organizations of all sizes and small agricultural cooperatives that suffered financial losses because of the disaster, regardless of physical damage. The SBA can lend up to \$2 million to provide the necessary working capital to help small businesses pay fixed debts, payroll, accounts payable and other bills that could have been covered had the disaster not occurred. The loan is not intended to replace lost sales or profits. The combined limit for economic injury and physical damage assistance for businesses is \$2 million.

Military Reservist Economic Injury Disaster Loans (MREIDLs) are working capital loans for small businesses adversely affected when an essential employee is called up to active duty by the National Guard or Reserves. An "essential employee" is defined as an individual (whether or not the owner of the small business) whose managerial or technical skill is critical to the successfully daily operation of the business. The loan limit is \$2 million, and the funds may be used to pay necessary operating expenses as they mature until operations return to normal after the essential employee is released from active military duty. The MREIDLs cannot be used to replace lost profits.

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 the loans. The loan terms are established in accordance with the borrower's repayment ability. 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 the applicant has credit available elsewhere (the ability to borrow or use their own resources to recover after the disaster).

More information on all of SBA's disaster assistance programs, including information for military reservists, is available at www.sba.gov/disaster.

Disaster Preparedness

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

With proper planning, surviving begins long before the disaster strikes—or before active-duty orders are received. Your planning should include insurance coverage, emergency power, protection of 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 disaster preparedness page of SBA's website at www.sba.gov/content/disaster-preparedness.

The page provides links to resources to help you put together your own emergency plan, preparedness tips, and fact sheets about SBA recovery assistance for homeowners, renters, businesses of all sizes and private, nonprofit organizations.

Additionally, to help small businesses with their preparedness planning, SBA has teamed up with Agility Recovery Solutions to offer business continuity strategies for entrepreneurs via their "PrepareMyBusiness" website. In addition to offering practical disaster preparedness tips, Agility is the co-host (with SBA) of a monthly disaster planning webinar for business owners. Previous webinar topics have included discussions on crisis communications, testing your recovery plan, and using social media to enhance business recovery. Visit www.preparemybusiness.org to get the schedule for future webinars, view archived webinars, and for more disaster planning tips.

As small businesses are leading America's economic recovery, many of them are investing time and money into their plans to grow and create jobs. Developing a strong disaster preparedness plan should be a critical and integral piece of those efforts. Planning for a disaster is the best way of limiting its effects.

Additional Resources

The SBA has partnered with the American Red Cross to increase awareness in the business community about the Red Cross Ready Rating™ program. Ready Rating (www.readyrating.org) is a free, self-paced, web-based membership program that helps a business measure its ability to deal with emergencies, and gives customized feedback on how to improve those efforts.

Additional information on developing an emergency plan is available at the federal government's preparedness website www.ready.gov.

The Institute for Business and Home Safety (www.disastersafety.org) has useful tips on protecting your home or business.

ADVOCACY AND OMBUDSMAN

Watching out for small business interests



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.

Headed by the Chief Counsel for Advocacy, the office also funds outside research of 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.

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

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 owners. 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: www.sba.gov/ombudsman; 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.

ADDITIONAL RESOURCES

Taking care of start up logistics



Even if you are running a small home-based business, you will have to comply with many of the local, state, and federal regulations. 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. 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: www.michigan.gov and click on "Business & Economic Growth" tab.

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 local departments. Consult your state or local government for assistance.

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 want to use the same name. For more information, contact the county clerk's office in the county where your business is based. If you are a corporation, you'll need to check with the state.

Department of Energy, Labor & Economic Growth

517-241-6470

www.michigan.gov/dleg

(Look under "Commercial Services & Corporations" in the left hand column).

BUSINESS INSURANCE

Like home insurance, business insurance protects 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, others 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, incapacitation or absence due to a Title 10 military activation 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.

TAXES

Taxes are an important and complex aspect of owning and operating a successful business. Your accountant, payroll person, or tax advisor may be very knowledgeable, but there are still many facets of tax law that you should know. The Internal Revenue Service is a great source for tax information. Small Business/Self-Employed Tax Center: www.irs.gov/businesses/small/index.html

When you are running a business, you don't need to be a tax expert. However, you do need some tax basics. IRS Small Business/Self-Employed Tax Center gives you the information you need to stay tax compliant so your business can thrive.

Small Business Forms and Publications www.irs.gov/businesses/small/article/0,,id=99200,00.html

Download multiple small business and self-employed forms and publications.

FEDERAL PAYROLL TAX (EIN NUMBERS)

An Employer Identification Number (EIN), also known as a Federal Employer Identification Number (FEIN), is used to identify a business entity. Generally, businesses need an EIN to pay federal withholding tax.

You may apply for an EIN in various ways, one of which is to apply online. www.irs.gov/businesses/small/article/0,,id=102767,00.html. This is a free service offered by the Internal Revenue Service. Call 800-829-1040 if you have questions. You must check with your state to determine if you need a state number or charter.

FEDERAL SELF-EMPLOYMENT TAX

Every employee 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 or www.irs.gov.

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 800-827-4000 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 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 in the left column and then click on 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, contact your state's government.

FEDERAL INCOME TAX

Like the state income tax, the method of paying federal income taxes depends upon your legal form of business.

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 return (Form 1120). You will also be required to report

Financing for Growing Small Businesses

Lakeshore 504
Your Fixed Asset Financing Partner
www.lakeshore504.org

- Fixed Asset Financing
- Low Fixed Rates
- 10 to 20 Year Terms
- Fully Amortized

Main Office:
Julie Parker, Executive Director
272 E 8th Street • Holland MI 49423
616.392.9633 (p) • 616.392.7379 (f)
www.lakeshore504.org
jparker@lakeshore504.org

Grand Haven Office:
David C. Miller, Business Development Manager
1 South Harbor Drive • Grand Haven, MI 49417
616.846.3153 (p) • 616.842.0379 (f)
www.lakeshore504.org
dmiller@grandhavenchamber.org

your earnings 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 the IRS to obtain your 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 made out to "Treasurer, State of Michigan (UIA)", and mail 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
517-373-3200
www.michigan.gov/treasury

IRS WEB PRODUCTS FOR SMALL BUSINESSES

For the most timely and up-to-date tax information, go to www.irs.gov/businesses/small/index.html.

VIRTUAL SMALL BUSINESS WORKSHOP

www.tax.gov/virtualworkshop/

The Virtual Small Business Tax Workshop is the first of a series of video products designed exclusively for small business taxpayers. This workshop helps business owners understand federal tax obligations. The Virtual Small Business Workshop is available on CD www.irs.gov/businesses/small/article/0,,id=101169,00.html and online www.irsvideos.gov/virtualworkshop/ if you are unable to attend a workshop in person. Small business workshops are designed to help the small business owner understand and fulfill their federal tax responsibilities. Workshops are sponsored and presented by IRS partners who are federal tax specialists.

Workshop topics vary from a general overview of taxes to more specific topics such as recordkeeping and retirement plans. Although most are free, some workshops have fees associated with them. Fees for a workshop are charged by the sponsoring organization, not the IRS.

The IRS's **Virtual Small Business Tax Workshop** is an interactive resource to help small business owners learn about their federal tax rights and responsibilities. This educational product, available online and on CD, consists of nine stand-alone lessons that can be selected and viewed in any sequence. A bookmark feature makes it possible to leave and return to a specific point within the lesson. Users also have access to a list of useful online references that enhance the learning experience by allowing them to view references and the video lessons simultaneously.

Tax Calendar for Small Businesses and Self-Employed (Publication 1518) www.irs.gov/businesses/small/article/0,,id=176080,00.html

The Tax Calendar for Small Businesses and Self-Employed contains useful information on general business taxes, IRS and SSA customer assistance, electronic filing and paying options, retirement plans, business publications and forms, common tax filing dates, and federal legal holidays.

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 payday, 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 presented in a variety of ways, including 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.

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 towards, and/or file quarterly reports about payroll taxes

and other mandatory deductions. You may contact (for information, assistance and forms.)

Social Security Administration
800-772-1213
www.ssa.gov

Federal Withholding
U.S. Internal Revenue Service
800-829-1040
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, used for all employees prior to preparing and submitting Forms W-2.

Health Insurance

Compare plans in your area at www.healthcare.gov.

Employee Insurance

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

WORKPLACE DISABILITY PROGRAMS

Americans with Disabilities Act (ADA): For assistance with the ADA, call 800-669-3362 or visit www.ada.gov.

U.S. CITIZENSHIP AND IMMIGRATION SERVICES

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/workerscomp/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 Web site at: www.mi-newhire.com.

E-Verify: Employment Eligibility Verification

E-Verify, operated by the Department of Homeland Security in partnership with the Social Security Administration,

is the best--and quickest--way for employers to determine the employment eligibility of new hires. It is a safe, simple, and secure Internet-based system that electronically verifies the Social Security number and employment eligibility information reported on Form I-9. E-Verify is voluntary in most states and there is no charge to use it.

If you are an employer or employee and would like more information about the E-Verify program, please visit www.dhs.gov/E-Verify or contact our Customer Support staff: 1-888-464-4218 Monday – Friday 8 am – 5 pm. E-mail: e-verify@dhs.gov

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

Many stores require bar coding on packaged products. Many industrial and manufacturing companies use bar coding to identify items they receive and ship. There are several companies that can assist businesses with bar-coding



Meet Dan.

Dan is one of thousands of small business owners that need YOUR products and services.

Small Business Resource magazine is distributed to small business owners, providing information on lending, services, and solutions that help small business owners start and expand their businesses.

Small business owners like Dan need to...

- Hire new staff
- Rent or buy an office building
- Purchase a sign
- Create marketing materials
- Develop a website
- Hire a lawyer
- Find an accountant
- Purchase office equipment
- Buy office furniture
- Purchase vehicles
- Find insurance
- Open a bank account

...and they start their search in this magazine!

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needs. You may want to talk with an SBDC, SCORE or WBC counselor for more information.

Federal Registration of Trademarks and Copyrights

Trademarks or service marks are words, phrases, symbols, designs or combinations thereof 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:

U.S. Patent and Trademark Office:

P.O. Box 1450
Alexandria, VA 22313-1450
800-786-9199
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
www.michigan.gov/dleg/

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

WEB RESOURCES

The following is a quick reference to many helpful Web sites for Michigan entrepreneurs. These resources are provided as a public service. Their inclusion does not imply an endorsement by the SBA of organizations on this list or the content on their sites.

GENERAL SMALL BUSINESS INFORMATION

U.S. Small Business Administration www.sba.gov

Michigan Calendar of Events, Training and Workshops www.sba.gov/localresources/district/mi/news/MI_EVENTS.html

Michigan Business One Stop www.michigan.gov/business

Michigan Economic Development Corporation www.michiganadvantage.org

SBA On-line Training <http://www.sba.gov/category/navigation-structure/counseling-training>

Small Business Information Center <http://sbdnet.org>

Office of Women's Business Ownership <http://www.sba.gov/about-offices-content/1/2895>

E-MAIL COUNSELING

Michigan Small Business & Technology Development Centers <http://misbtcd.org/>

SCORE www.score.org

SAMPLE BUSINESS PLANS

SBA <http://www.sba.gov/category/navigation-structure/starting-managing-business>

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

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

A "How to" Write a Business Plan www.sba.gov/training/mktgadvertising/index.html

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/sizestandardsttopics/index.html

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

Nolo legal information www.nolo.com

UPC Bar Codes www.uc-council.org

E-COMMERCE

A "How-to" Guide www.sba.gov/services/training/index.html

SCORE <http://ebusinessnow.org/>

TAXES

IRS Small Business/Self Employed www.irs.gov

Michigan Dept. of Treasury www.michigan.gov/treasury

FINANCING

SBA Loan Guaranty Programs <http://www.sba.gov/category/navigation-structure/loans-grants/small-business-loans>

List of Venture Capital in Michigan www.michiganadvantage.org/Access-to-Capital/Default.aspx

Small Business Innovation Research <http://www.sba.gov/about-sba-services/7050>

Catalog of Federal Domestic Assistance (Grants) www.cfda.gov

Federal Government Grants www.grants.gov

GOVERNMENT CONTRACTING

SBA-Government Contracting Office <http://www.sba.gov/about-offices-content/1/2986>

Federal Procurement Opportunities www.fbo.gov

HUBZones www.sba.gov/hubzone

Online Representative & Certification Application (ORCA) <https://orca.bpn.gov>

Central Contractor Registration www.ccr.gov

Federal Interagency Databases Online www.fido.gov

Doing Business with Michigan <http://www.michigan.gov/buymichiganfirst>

North American Industrial Classification System (NAICS) www.census.gov/eos/www/naics

EXPORT AND INTERNATIONAL TRADE INFORMATION

SBA Office of International Trade <http://www.sba.gov/about-offices-content/1/2889>

International Trade Administration www.ita.doc.gov

The U.S. Government Export Portal www.export.gov

Michigan District Export Council www.exportmichigan.biz

U.S. Commercial Service www.buyusa.gov/greatlakes/

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 <http://www.sba.gov/about-offices-content/1/2985>

Veterans Business Outreach Center www.vetbizcentral.com

WOMEN

SBA's Office of Women's Business Ownership <http://www.sba.gov/about-offices-content/1/2895>

Women Selling to Federal Government www.womenbiz.gov

Michigan Women's Marketplace www.miwomen.com

Center for Empowerment and Economic Development www.miceed.org

Count Me In for Women's Economic Independence www.makemineamillion.org

YOUNG ENTREPRENEURS

SBA's Teen Business Link <http://www.sba.gov/content/young-entrepreneurs>

Mind Your Own Business www.mindyourownbiz.org

SCORE http://www.score.org/topics/young_entrepreneurs

Young Biz www.youngbiz.com/

ADDITIONAL INFORMATION

Working at Home www.workingsolo.com

My Own Business www.myownbusiness.org

50 Plus Entrepreneurs <http://www.sba.gov/content/50-entrepreneurs>

SCORE 50 Plus Entrepreneurs http://www.score.org/topics/50_plus_entrepreneurs

publications distributed through the U.S. Patent and Trademark Office. For more information, contact the:
U.S. Patent and Trademark Office
800-786-9199 • 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 at 248-267-3700 or 888-877-4273, 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.

BUSINESS ORGANIZATION: Choosing Your Business Structure

There are many forms of legal structure you may choose for your business. Each legal structure offers organizational options with different 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.

The most common organizational structures are sole proprietorships, general and limited partnerships, "C" and "S" corporations and limited liability companies.

If you're uncertain which business format is right for you, you should discuss options with a business counselor or attorney.

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 rate. The owner has complete control of the business, but faces unlimited liability for its debts. There is very little government regulation or reporting required with this business structure.

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 agreement 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, and what happens when a partner dies. 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 persons. 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 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 a separate legal 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 offer 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. 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/dleg (Look under "Commercial Services & Corporations" in the left hand column). The Michigan Non-profit Association has a section called "Starting a Nonprofit" for non-profit organizations. For more information call 517-492-2400 or visit: www.mnaonline.org/.

OTHER ASSISTANCE

OTHER SOURCES OF ASSISTANCE

BUSINESS RESOURCE CENTER (BRCs)

The Business 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:

MICHIGAN WORKS! SERVICE CENTER

1040 S. Winter St.
Adrian, MI 49221
517-266-5627

ALLEGAN LIBRARY

331 Hubbard St.
Allegan, MI 49010-1258
269-673-4625

ALPENA COMMUNITY COLLEGE

Stephen H. Fletcher Library
665 Johnson St., Newport Center
Alpena, MI 49707
989-358-7252

WASHTENAW COMMUNITY COLLEGE

Richard W. Bailey Library
4800 E. Huron River Dr.
Ann Arbor, MI 48105
734-973-3379

FOOD SYSTEMS ECONOMIC PARTNERSHIP

705 N. Zeeb
Ann Arbor, MI 48107
734-222-6859

CENTER FOR ENTREPRENEURSHIP AT MILLER COLLEGE

450 North Ave.
Battle Creek, MI 49017
269-660-8021

MICHIGAN WORKS! SERVICE CENTER

North Pointe Plaza
4061 N. Euclid
Bay City, MI 48706
989-667-0500

BOYNE DISTRICT LIBRARY (IN PARTNERSHIP WITH MSHDA MAIN STREET)

201 E. Main St.
Boyne City, MI 49712
231-582-7861

BRIGHTON DISTRICT LIBRARY

100 Library Dr.
Brighton, MI 48116
810-229-6571



MICHIGAN WORKS!

237 E. Caspian Ave.
Caspian, MI 49915
906-265-0532

CHARLEVOIX PUBLIC LIBRARY

220 Clinton St.
Charlevoix, MI 49720
231-547-2651

CHARLOTTE PUBLIC LIBRARY

226 Bostwick St. S.
Charlotte, MI 48813
517-543-8859

CHEBOYGAN AREA PUBLIC LIBRARY

100 S. Bailey St.
Cheboygan, MI 49721
231-627-2381

CHELSEA DISTRICT LIBRARY

221 S. Main St.
Chelsea, MI 48118
734-475-8732

PERE MARQUETTE DISTRICT LIBRARY

101 E. Fourth St.
Clare, MI 48617
989-386-7576

MICHIGAN WORKS! SERVICE CENTER

43630 Hayes, Ste. 100
Clinton Township, MI 48038
586-263-1501

DEARBORN PUBLIC LIBRARY

16301 Michigan Ave.
Dearborn, MI 48126
313-943-2330

TECHTOWN

440 Burroughs St., 307A
Detroit, MI 48202
313-967-9295

DEXTER DISTRICT LIBRARY

3255 Alpine St.
Dexter, MI 48130
734-426-4477

JORDAN VALLEY DISTRICT LIBRARY

1 Library Ln.
East Jordan, MI 49727
231-536-7131

MI WORKS

1230 E. US-23
East Tawas, MI 48730
989-362-6407

MICHIGAN WORKS!

2831 N. Lincoln Rd.
Escanaba, MI 49829
906-789-9732

KETERING UNIVERSITY

1700 W. University Ave.
Campus Center, 5th Fl.
Flint, MI 48504
810-762-9660

OTSEGO COUNTY MICHIGAN WORKS!

2927 D & M Dr.
Gaylord, MI 49735-7417
989-732-3886

MICHIGAN WORKS! GLADWIN

150 Commerce Ct.
Gladwin, MI 48624
989-240-0059

MICHIGAN WORKS!

4595 Salling Dr.
Grayling, MI 49738
989-348-8709

MONTCALM COMMUNITY COLLEGE M-TEC

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

FINLANDIA UNIVERSITY

Portage Campus
200 Michigan St.
Hancock, MI 49930
906-487-7344

MID MICHIGAN COMMUNITY COLLEGE M-TEC

1375 S. Clare Ave.
Harrison, MI 48625
989-386-6630

HASTINGS LIBRARY

227 E. State St.
Hastings, MI 49058
269-945-4263

MICHIGAN WORKS! SERVICE CENTER

21 Care Dr.
Hillsdale, MI 49242
517-437-3381

GVSU - HOLLAND CAMPUS

515 Meijer Campus
Holland, MI 49423
616-331-3910

OTHER ASSISTANCE

HOWELL CARNEGIE DISTRICT LIBRARY

314 W. Grand River
Howell, MI 48830
517-546-0720

INDIAN RIVER AREA LIBRARY

3546 S. Straits Hwy.
Indian River, MI 49749
231-238-8581

MICHIGAN WORKS!

100 W. Cloverland Dr.
Ironwood, MI 49938
906-932-4059

ISHPEMING DEVELOPMENT AUTHORITY

119 W. Division St.
Ishpeming, MI 49849
906-486-6853

MICHIGAN WORKS! SERVICE CENTER

209 E. Washington St., Ste. 100
Jackson, MI 49201
517-841-5627

KENTWOOD DISTRICT LIBRARY

4950 Breton S.E.
Kentwood, MI 49508
616-784-2007

LANSING REGIONAL CHAMBER OF COMMERCE

500 E. Michigan Ave., Ste. 200
Lansing, MI 48039
517-487-6340

SCHOOLCRAFT COLLEGE

VisTaTech Center
18600 Haggerty
Livonia, MI 48152
734-462-4438

MACKINAW AREA PUBLIC LIBRARY

528 W. Central Ave.
Mackinaw City, MI 49701
231-436-5451

THUMBWORKS!

3270 Wilson St.
Marlette, MI 48453
989-635-3561

MICHIGAN WORKS!

1498 O'DoVero Dr.
Marquette, MI 49855
906-228-3075

MARSHALL DISTRICT LIBRARY (IN PARTNERSHIP WITH MAIN STREET)

124 W. Green St.
Marshall, MI 49068
269-781-7821

MICHIGAN WORKS!

2604 10th St.
Menominee, MI 49858
906-863-9957

MICHIGAN WORKS! SERVICE CENTER

1409 Washington St.
Midland, MI 48640
989-631-3073

HACKLEY PUBLIC LIBRARY (IN PARTNERSHIP WITH MSHDA MAIN STREET)

316 W. Webster Ave.
Muskegon, MI 49440
231-722-7276

GVSU - MAREC

200 Viridian Dr.
Muskegon, MI 49441
231-722-4371

NILES MAIN STREET

210 E. Main St.
Niles, MI 49120
269-687-4332

NORTHWEST MICHIGAN WORKS!

Little Traverse Bay Bands of Odawa
2225 Summit Park Dr.
Petoskey, MI 49770
231-347-5150

PETOSKEY PUBLIC LIBRARY

451 E. Mitchell St.
Petoskey, MI 49770
231-758-3100

PORTLAND DISTRICT LIBRARY (IN PARTNERSHIP WITH MEDC MAIN STREET)

334 Kent St.
Portland, MI 48875
517-647-6981

MICHIGAN WORKS!

3875 Bay Rd., Ste. 7
Saginaw, MI 48603
989-249-5232

MICHIGAN WORKS!

1118 E. Easterday Ave.
Sault Ste. Marie, MI 49783
906-635-1752

SOUTH HAVEN MEMORIAL LIBRARY

314 Broadway St.
South Haven, MI 49090
269-637-2403

SOUTHFIELD PUBLIC LIBRARY

26300 Evergreen Rd.
Southfield, MI 48076
248-796-4200

MICHIGAN WORKS!

Downriver Community Conference
15100 Northline Rd., Rm. 179
Southgate, MI 48195
734-362-3442

MICHIGAN WORKS! SERVICE CENTER

4480 West M-61
Standish, MI 48658-0829
989-846-2111

DELTA COLLEGE

Library, A110
1961 Delta Rd.
University Center/Saginaw, MI 48710
989-686-9016

NORTHWEST MICHIGAN WORKS!

1209-C S. Garfield Rd.
Traverse City, MI 49686
800-442-1074

MICHIGAN BUSINESS & PROFESSIONAL ASSOCIATION

Michigan Food & Beverage Association
27700 Hoover Rd., Ste. 100
Warren, MI 48093
586-393-8800

OAKLAND COUNTY BUSINESS CENTER

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

MICHIGAN WORKS!

2389 S. M-76
West Branch, MI 48661
989-345-1090

YPSILANTI DISTRICT LIBRARY

5577 Whittaker Rd.
Ypsilanti, MI 48118
734-482-4110

EASTERN MICHIGAN UNIVERSITY/ WASHTEAW COMMUNITY COLLEGE

306 Gary M. Owen Bldg.
300 W. Michigan Ave.
Ypsilanti, MI 48197
734-487-0355

SBA Forum On Small Business Lending

If you are serious about seeking financing for your business, you should attend a SBA Forum on Small Business Lending. The forum is composed of preferred SBA lenders, 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.

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 forums 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 SBA Forum on Small Business Lending at: www.sba.gov/localresources/district/mi/news/MI_EVENTS.html



A photograph of a home office. A white desk is positioned in front of a window with white blinds. On the desk, there is a laptop, a blue desk lamp, a printer, and a potted plant. A wooden chair with a light green seat cushion is in the foreground. The room has warm-toned walls and a radiator under the window.

OVER FIFTY PERCENT OF THE NATION'S
SMALL BUSINESSES ARE HOME-BASED

Doesn't that sound nice?

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With over 17,000 resource listings across the country, we provide you with door-to-door directions to lenders, training, and support that will help you start your own small business.

SmallBusiness³
www.smallbusiness3.com

SBA TOP 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
 Associated Bank
 Banco Popular
 Bank of America
 Bank of Michigan
 Borrego Springs Bank
 Branch Banking and Trust Company
 Business Lenders
 Charter One Bank
 Chase
 CIT Small Business Lending
 Citizens Bank
 Comerica Bank
 Fifth Third Bank
 First National Bank of Michigan
 First State Bank
 Huntington National Bank
 Huron Community Bank
 KeyBank
 MainStreet Lender
 Mercantile Bank of Michigan
 Newtek Small Business Finance
 Northwestern Bank
 PNC Bank
 River Valley Bank
 Small Business Loan Source
 Stearns Bank
 Talmer Bank and Trust
 The Bank of Holland
 The Bank of Northern Michigan
 United Bank of Michigan
 UPS Capital Business Credit
 U.S. Bank
 Wells Fargo Bank
 Zions First National Bank

SBAEXPRESS LENDERS

1st Source Bank
 1st State Bank
 Ann Arbor State Bank

Associated Bank
 Banco Popular
 Bank of Alpena
 Bank of America
 Bank of Ann Arbor
 Bank of Michigan
 Baybank
 Branch Banking and Trust Company
 Capital One
 Century Bank and Trust
 Charter One Bank
 Chase
 Chelsea State Bank
 Chemical Bank and Trust
 ChoiceOne Bank
 Christian Financial CU
 Citizens National Bank of Cheboygan
 Citizens Bank
 Comerica Bank
 Commercial Bank
 Community Financial Members FCU
 CSB Bank
 Eastern Michigan Bank
 Fifth Third Bank
 Firstbank – West Michigan
 First National Bank of Michigan
 First Place Bank
 First State Bank
 Founders Bank & Trust
 Frankenmuth CU
 Genisys Credit Union
 Gogebic Range Bank
 Hastings City Bank
 Hillsdale County National Bank
 Honor Bank
 Huntington National Bank
 Huron Community Bank
 Huron Valley State Bank
 Independent Bank
 Isabella Bank
 Kalamazoo County State Bank
 KeyBank
 Lake-Osceola State Bank
 Lake Trust CU
 Level One Bank
 Lotus Bank
 Macatawa Bank
 Mason State Bank
 mBank
 Mercantile Bank of Michigan
 Michigan Schools & Government CU
 Michigan State University Credit Union
 Newtek Small Business Finance
 Northwestern Bank
 Old Mission Bank

OUR CU
 PNC Bank
 River Valley Bank
 Seaway Community Bank
 Shelby State Bank
 Stearns Bank
 Sturgis Bank & Trust
 Talmer Bank and Trust
 The Bank of Holland
 The Bank of Northern Michigan
 The Peninsula Bank of Ishpeming
 The State Bank
 The State Savings Bank
 The West Michigan Savings Bank
 Thumb National Bank & Trust
 Traverse City State Bank
 United Bank of Michigan
 United Bank & Trust
 United FCU
 UPS Capital Business Credit
 U.S. Bank
 Wells Fargo Bank
 West Michigan Community Bank
 Zions First National Bank

SBA PATRIOT EXPRESS LENDERS

1st Source Bank
 1st State Bank
 Ann Arbor State Bank
 Banco Popular
 Bank of America
 Bank of Ann Arbor
 Bank of Michigan
 Baybank
 Branch Banking and Trust Company
 Business Loan Center
 California Bank & Trust
 Celtic Bank Corporation
 Century Bank & Trust
 Charter One Bank
 Chemical Bank
 CIT Small Business Lending

Citizens Bank(Michigan)
 Comerica Bank
 Commercial Bank(MI)
 CSB Bank
 Eastern Michigan Bank
 Fifth Third Bank
 Firstbank – West Michigan
 First National Bank of Michigan
 First State Bank
 Founders Bank & Trust
 Frankenmuth Credit Union
 Gogebic Range Bank
 Honor State Bank
 Horizon Bank
 Huntington National Bank
 Huron Community Bank
 Independent Bank
 Isabella Bank
 JPMorgan Chase Bank
 Kalamazoo County State Bank
 KeyBank
 Lake Trust Credit Union
 Level One Bank
 Lotus Bank
 Mason State Bank
 Mercantile Bank of Michigan
 Newtek Small Business Finance
 Northwestern Bank
 Old Mission Bank
 OUR CU
 PNC Bank
 Seaway Community Bank
 Stearns Bank
 Talmer Bank & Trust
 TCF National Bank
 The Bank of Holland
 The Bank of Northern Michigan
 The Peninsula Bank of Ishpeming
 The Shelby State Bank
 Thumb National Bank & Trust
 United Bank & Trust
 U.S. Bank
 Wells Fargo Bank
 Zions First National Bank



TRUST

To run a business, you need out-of-the box thinking. That's why I went to First State Bank – they helped me with a business plan and packaged up all the right tools to help me succeed. Because they delivered, they have my trust...and my business.

-Dawn

First State Bank
Business Customer

As a locally-owned bank with roots here since 1917, we've been a cornerstone in our community dedicated to helping local businesses prosper. That's why you can trust us to help you with the right mix of products and convenient services for your business. As a local SBA Preferred Lender, you'll get the right answers, right on time – so you can get right to business.

- SBA Preferred Lender
- Term and Real Estate Loans
- Online Banking
- Lines of Credit
- Business Credit Cards
- Cash Management Services

Talk to a knowledgeable representative today at 866-372-1275 and find out how we can partner to deliver the tools that help your business.

Earning your trust today...and every day.

 **FirstState**
Your Hometown Bank

www.thefsb.com/sba
866-372-1275

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