INTRODUCTION

Administrator’s Message
Regional Administrator’s Message
District Director’s Letter

COUNSELING

Getting Help to Start Up, Market and Manage Your Business
SBA Resource Partners
SBA’s Learning Center
Reaching Underserved Communities
Are You Right for Small Business Ownership?
Writing a Business Plan

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Getting Help to Start Up, Market and Manage Your Business
SBA Resource Partners
SBA’s Learning Center
Reaching Underserved Communities
Are You Right for Small Business Ownership?
Writing a Business Plan

FEATURES

4 Introduction
4 Administrator’s Message
5 Regional Administrator’s Message
6 District Director’s Letter
8 Counseling
8 Getting Help to Start Up, Market and Manage Your Business
8 SBA Resource Partners
11 SBA’s Learning Center
12 Reaching Underserved Communities
14 Are You Right for Small Business Ownership?
15 Writing a Business Plan
16 Capital
16 Financing Options to Start or Grow Your Business
16 SBA Business Loans
17 What to Take to the Lender
26 Surety Bond Guarantee Program
28 Small Business Investment Company Program
29 Small Business Innovation Research Program
29 Small Business Technology Transfer Program
31 SBA Loan Program Chart
33 SBA Lenders Program Chart

FEATURING

Feature Article
Making the Most of SBA’s Resource Partner Network

CONTRACTING

Applying for Government Contracts
How Government Contracting Works
SBA Contracting Programs
Getting Started in Contracting

FEATURES

4 Introduction
4 Administrator’s Message
5 Regional Administrator’s Message
6 District Director’s Letter
8 Counseling
8 Getting Help to Start Up, Market and Manage Your Business
8 SBA Resource Partners
11 SBA’s Learning Center
12 Reaching Underserved Communities
14 Are You Right for Small Business Ownership?
15 Writing a Business Plan
16 Capital
16 Financing Options to Start or Grow Your Business
16 SBA Business Loans
17 What to Take to the Lender
26 Surety Bond Guarantee Program
28 Small Business Investment Company Program
29 Small Business Innovation Research Program
29 Small Business Technology Transfer Program
31 SBA Loan Program Chart
33 SBA Lenders Program Chart

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How Government Contracting Works
SBA Contracting Programs
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SBA Contracting Programs
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SBA’S MARKETING OFFICE:
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On the Cover: Early SBA-Backed investment and business advice sets Brandywine Valley Fashionistas, Amy Trelenberg and Megan Healty, up to take the fashion world by storm.
Trust your SBA loan to a Texas leader.

Our award-winning team will take the time to determine which type of loan will help you succeed.

Learn about Government Guaranteed Loan options at greenbank.com/sba-usda-lending.

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Let’s Work Together

When I took my oath as the new SBA Administrator, I was energized to work on behalf of entrepreneurs like you. I know you’ve risked so much to start and grow your small business, because I’ve stood in your shoes. I’ve started three small businesses of my own, including a community business bank that provided capital to other small businesses. This not only strengthened my knowledge of the challenges you face, it also strengthened my resolve to help you overcome those hurdles and succeed.

When I started my first business almost 20 years ago, I experienced similar changes to the ones you face today. On any given day, I could be called upon to be my company’s human resources director, CFO, COO, or chief sales officer — all while competing against larger firms in highly competitive markets. I know you multitask your way through similar days to grow your business and provide good jobs for your employees.

My message to you is a simple one: The SBA is here for you, to help you access capital, counseling, contracts, or assistance after a natural disaster. We have dedicated resource partners in every community in America whose job is to make your job easier. They will work with you one-on-one to answer your questions, and they will help you open new doors to new business opportunities.

One of our resource partners is SCORE — *For the Life of Your Business*—, who marks its 50th anniversary this year. SCORE’s 11,000+ volunteer mentors are both working and retired business professionals who are dedicated to providing you with game-changing advice and support. You can learn more about SCORE and our other resource partners, Small Business Development Centers (SBDC) and Women’s Business Centers (WBC) in the Counseling section of this guide. Our feature article also provides information about leveraging our resource partner network at different points in your small business journey and shares success stories of small businesses like you who have benefitted from SBA resource partner support. To find the location of your nearest SBA District Office or resource partner, visit www.sba.gov/tools/local-assistance.

At the SBA, taking care of business has been our business for 61 years. This agency has been an important force in America’s economic recovery, but we’re only getting started. We look forward to helping you become the next great American success story.

Sincerely,

Maria Contreras-Sweet
Administrator
U.S. Small Business Administration
Everyone in the country recognizes the major role small business owners have played and continue to play in rebuilding and strengthening our nation’s economy. Because of this, SBA is working even harder to help make your dream of entrepreneurship a reality.

We provide access to capital, opportunities to compete for federal contracts that guarantee higher revenue for your business, and we also offer free, one-on-one counseling. Whether your focus is to open a business or take it to the next level, SBA is here to help.

In Region VI, Arkansas, Louisiana, New Mexico, Oklahoma, and Texas entrepreneurs were approved for $2.6 billion in financing to start or grow a small business and create jobs in fiscal 2013. Our resource partners counseled or trained more than 122,000 clients who were able to create or retain 7,196 jobs in fiscal 2013, and almost $9 billion in federal contracts were awarded in the Region in fiscal 2012.

Let me share with you more of the accomplishments we are especially proud of at SBA:

- **Record Years in Lending.** Since President Obama took office, SBA has supported more than $146 billion in lending to small businesses, more than any time in history. Fiscal 2013 was the 3rd straight year that SBA supported more than $29 billion in lending to more than 47,000 small businesses.

- **The 504 Loan: A Job Creation Program.** In fiscal 2013, the 504 loan program delivered more than $11.7 billion in financing to 7,700 small businesses.

- **Simplifying the Loan Process.** SBA has simplified the process for loans under $350,000. As a result, triple the numbers of lenders are participating in the Small Loan Advantage Program.

- **Zero Subsidy.** We are proud to report that SBA’s most popular product, the 7a loan, operates at zero subsidy. That means the SBA key loan program is not costing the American taxpayer a dime.

- **Honoring Our Veterans.** Starting Jan. 1, 2014 and for the rest of the fiscal year, we’ll be setting the borrower upfront fee to zero for all veteran loans authorized under the SBA Express program.

- **Small Businesses Receive 22.25% of Federal Contracts in FY 2012.** During the first term of the Obama administration $376.2 billion in contracting dollars went to small businesses. This is a $48.1 billion increase over the four preceding years even as we have reduced contracting spending overall.

- **SBA Helps Rebuild Communities.** Disaster assistance continues to be a priority in our Fiscal Year 2015 budget. In fiscal year 2013, SBA assisted more than 46,000 businesses and individuals with $2.8 billion in disaster loans.

- **Our Resource Partners Help Millions.** One million entrepreneurs interested in starting or expanding a business received assistance through one or more of the SBA’s counseling and training programs: In fiscal 2013, these efforts helped entrepreneurs to get more than $4.5 billion in capital infusion, start over 15,000 businesses, and create and/or retain more than 68,000 jobs.

This is an exciting time to be an American entrepreneur. We look forward to hearing from you! Please visit us at www.sba.gov or follow the South Central Region on Twitter, @SBAsouthcentral.

Warmest Regards,

**Yolanda Garcia Olivarez**  
Regional Administrator  
Small Business Administration Region VI
Like today’s small businesses, large corporate success stories started with only an entrepreneur and a dream.

The road to success begins with a question—“Who can help me with small business questions?”

The SBA is here to help America start, build, and grow businesses. It is our mission to aid, counsel, assist, and protect the interest of the small business concerns and is committed to help small business owners and potential entrepreneurs succeed.

The dream of running and owning a small business is a passion of most everyone today. SBA is an agency which can help achieve that dream and make it into a reality with the help of its resource partners and stakeholders.

The San Antonio District Office is committed to serving you. Our district office works very closely with its resource partners: SCORE - For The Life of Your Business, Small Business Development Centers (SBDCs), and Women’s Business Centers (WBCs). SBA and its resource partners continue to build and establish new relationships that are beneficial to the needs of small business owners to provide the necessary assistance to help guide and navigate you on the road to success. Together, with our extensive network of resource partners, we offer technical assistance, training, and counseling to individuals through our business development programs. Our numerous lending and resource partners all work together to make you successful.

Today’s economy starts with small business and continues with a job created. SBA is here to help. We want to be your small business resource.

Contact us today and find out how we can assist you or visit our office located at the Hipolito F. Garcia Federal Building, 615 E. Houston St., Ste. 298, San Antonio, TX 78205. Our office hours are Monday through Friday, 8:00 a.m. – 4:30 p.m. We observe all federal holidays. Information on SBA and our resource partners is available to you 24/7 by visiting us at www.sba.gov/tx/sanantonio

Sincerely,

Pamela Sapia
District Director of SBA’s San Antonio District Office
Doing Business in San Antonio

THE SAN ANTONIO DISTRICT OFFICE
District Director Pamela Sapia and the San Antonio District Office staff are responsible for the delivery of SBA’s programs and services. The District Office is located at Hipolito F. Garcia Federal Building, 615 E. Houston St., Suite 298, San Antonio, TX 78205. Office hours are from 8:00 a.m. until 4:30 p.m., Monday through Friday.

CONTACTING THE SAN ANTONIO DISTRICT OFFICE
For information on SBA programs and services, please call 210-403-5900. For information on financing, please contact Lead Lender Relations Specialist Cindy Solano at 210-403-5919 or e-mail: cindy.solano@sba.gov

SERVICES AVAILABLE
Financial assistance for new or existing businesses through guaranteed loans made by area bank and non-bank lenders.

SCORE - For The Life of Your Business, Small Business Development Centers (SBDCs), and Women’s Business Centers (WBCs) offer free and confidential counseling, advice, and information on starting, better operating, or and expanding a small business. They also conduct training events throughout the district, some requiring a nominal registration fee.

Assistance is provided to businesses owned and controlled by socially and economically disadvantaged individuals through the 8(a) Business Development Program.

Women’s Business Ownership Representatives are available to assist women business owners. Please contact Annie Hudspeth at 210-403-5918 or via email at: annie.hudspeth@sba.gov

Special loan programs are available for businesses involved in international trade. Please contact Aixa Leath at 210-403-5920 or via email at: aixa.leath@sba.gov

A Veterans Affairs Officer is available to assist veterans. Please contact Lionel “Leo” Davila at 210-403-5917 or via email at: lionel.davila@sba.gov

COUNTIES COVERED BY THE SBA SAN ANTONIO DISTRICT

- Atascosa
- Bandera
- Bastrop
- Bee
- Bexar
- Blanco
- Burnet
- Caldwell
- Calhoun
- Comal
- Concho
- Crockett
- DeWitt
- Dimmit
- Edwards
- Fayette
- Frio
- Gillespie
- Goliad
- Gonzales
- Guadalupe
- Hays
- Irion
- Jackson
- Karnes
- Kendall
- Kerr
- Kimble
- Kinney
- Lampasas
- LaSalle
- Lavaca
- Lee
- Live Oak
- Llano
- McCulloch
- McMullen
- Mason
- Maverick
- Medina
- Menard
- Real
- Refugio
- San Saba
- Schleicher
- Sutton
- Tom Green
- Travis
- Uvalde
- Val Verde
- Victoria
- Webb
- Williamson
- Wilson
- Zavala

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

SAN ANTONIO, TX--Genesis Concepts & Consultants (GC&C) was formed by Mr. Gregory Hudson in 2002. GC&C provides services to the government in the form of corporate advisory, strategic and program management. Another branch, Set Ready Go Athletics (SRG) focuses on transforming the fitness industry through product innovation and inspired services. The company is an 8(a) and Certified Service Disabled Veteran Owned Small Business (SDVOSB). GC&C received a SBA loan for the amount of $45,000 in January 2005. The loan was paid in full within 90 days of receipt. Through fiscal year 2012 there was an increase in revenue while the profit margin declined as a direct result of a self-investment expansion strategy for SRG. For the fiscal year 2013, the company was able to show another year of positive growth.

As a business owner, the greatest challenge to overcome, was requesting a waiver of Sole Source Selection. During the 8(a) transition period, the company established itself as a trusted source with the strengths of a large company combined with the leaness of a small business. As a result, GC&C was issued a waiver by the U.S. Small Business Administration giving approval for re-instatement for direct source selection. This was the first waiver and the only of its kind at the time to be issued by the SBA for a small business in San Antonio.

GC&C has been in operations for 11 years maintaining sustained and continuous growth since its conception. From its humble beginning in San Antonio Texas, the company has achieved a global presence. While GC&C headquarters remain in San Antonio, the company also assists customers in multiple states as well as providing mobile support teams in Europe and the Middle-East.

GC&C began with only two employees but today employs 70 fulltime personnel and 27 limited time consultants. Over 70% of the company’s employees are veterans. Even during the period of high unemployment rates, GC&C managed to retain and employ highly qualified individuals. GC&C is among an elite group of small businesses that are certified SBC practitioners. GC&C employs the business S.M.A.R.T. grid concept to efficiently sustain and align the company’s assets and capacity. The concept permits GC&C to analyze, equip and mobilize their expansion assets to support its customers and partners throughout their network.

- continued on page 45
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 out, the SBA and its resources can help you with business and financing plans. If you’re already in business, you can use the SBA’s resources to help manage and expand 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/tools/local-assistance.

SCORE

SCORE is a national network of more than 12,000 entrepreneurs, business leaders and executives who volunteer as mentors to America’s small businesses. SCORE leverages decades of experience from seasoned business professionals to help entrepreneurs to start and grow companies and to create jobs in local communities. SCORE does this by harnessing the passion and knowledge of individuals who have owned and managed their own businesses and want to share this “real world” expertise with you.

Across the country, SCORE offers more than 10,000 local business training workshops and seminars ranging in topic and scope depending on the needs of the local business community. SCORE workshops cover all manner of business topics, including: an introduction to the fundamentals of a business plan, managing cash flow and marketing your business. For established businesses, SCORE offers more in-depth training in areas like customer service, hiring practices and home-based businesses.

For around-the-clock business advice and information on the latest business news and trends go to the SCORE website (www.score.org). More than 1,200 online mentors with over 150 business skill sets answer your questions about starting and running a business. In fiscal year 2013, SCORE mentors served 400,000 entrepreneurs. For more information on SCORE and to get your own business mentor, visit www.score.org, call 1-800-634-0245 for the SCORE office nearest you.

ON THE UPSIDE

- 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, challenge and opportunities to learn.
**SMALL BUSINESS DEVELOPMENT CENTERS**

The U.S. Small Business Administration’s Small Business Development Centers (SBDC) mission is to build, sustain, and grow small businesses; as well as to promote small business development and enhance local economies by creating businesses and fulfilling its mission of creating jobs.

The Small Business Development Centers, vital to SBA’s entrepreneurial outreach, have been providing service to small businesses for almost 35 years. It is one of the largest professional small business management and technical assistance networks in the nation. With over 900 locations across the country, SBDCs offer existing and future entrepreneurs free one-on-one expert business counseling and low-cost training by qualified small business professionals.

In addition to its core services, the SBDCs offer special focus areas such as green business technology, disaster recovery and preparedness, export assistance, international trade.
The program combines a unique combination of federal, state, and private sector resources to provide, in every state and territory, the foundation for the economic growth of small businesses. The return on investment is demonstrated by the program’s success during FY2013.

- Assisted more than 14,200 entrepreneurs to start new businesses – equating to nearly 39 new business starts per day.
- Provided counseling services to more than 104,000 emerging entrepreneurs and over 96,000 existing businesses.
- Provided training services to approximately 330,000 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. The top five impacts of counseling cited by SBDC clients were revising marketing strategy, increasing sales, expanding products and services, improving cash flow and increasing profit margin. More than 40 percent of long-term clients receiving five hours or more of counseling reported an increase in sales and profit margins.

For information on the SBDC program, visit www.sba.gov/sbdc.

University of Texas at San Antonio SBDC
501 W. Cesar E. Chavez Blvd.
San Antonio, TX 78207-4415
Cliff Paredes, Director
210-458-2470

Sul Ross State University–Big Bend SBDC
500 W. Ave. H/P.O. Box C-47
Alpine, TX 79832
David Wilson, Director
432-837-8694

UTSA International Trade Center SBDC
501 W. Cesar E. Chavez Blvd.
San Antonio, TX 78207-4415
Cliff Paredes, Director
210-458-2470

SBDCNET National Information Clearinghouse
501 W. Cesar E. Chavez Blvd.
San Antonio, TX 78207-4415
Deborah Schueneman, Director
210-458-2465 or 800-689-1912

WOMEN’S BUSINESS CENTERS

The SBA’s Women Business Center (WBC) program is a network of over 100 community-based centers that provide business training, counseling, 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 including the District of Columbia and the territories of Puerto Rico and American Samoa. They 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 evenings and weekends. WBCs are located within 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 are offered for 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 2012, the WBC program counseled and trained over 136,000 clients, creating local economic growth and vitality. In addition, WBCs helped entrepreneurs access more than $40 million dollars in capital. Based on a 2010 Impact Study, of the WBC clients that have received three or more hours of counseling, 15 percent indicated that the services led to hiring new staff, 34 percent indicated that the services led to increased hiring, 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.

Big AUSTIN
Women’s Business Center
Capital Plaza Office Bldg.
5407 N. IH-35, Ste. 200
Austin, TX 78723
512-928-8010 • 512-926-2997 Fax

ACCIION Biz Center
225 W. Poplar
San Antonio, TX 78212
210-531-5528 • 210-531-0988 Fax
EMERGING LEADERS INITIATIVE

The intense seven-month entrepreneurship training for small business leaders creates a learning environment to accelerate the growth of high-potential small businesses, stimulates job creation and helps drive economic development within their communities. A competitive selection process results in company executives participating in high-level training and peer-networking sessions led by professional instructors. Graduates are poised to create an economic ripple effect because they are now equipped with the support, resources and enhanced business skills to succeed in increasing their revenue, creating jobs and driving sustainable economic growth throughout their communities.

Impact of Emerging Leaders:
The initiative is currently offered in over 27 underserved communities across the country. Over 2,000 businesses have participated in Emerging Leaders since its inception. An independent impact study of Emerging Leaders past participants reported that they:

- Created nearly 2,000 new full-time jobs
- Secured federal, state, local and tribal contracts awards over $1 Billion
- Accessed over $73 Million in new financing
- 95% were satisfied with the Emerging Leaders program.

SBA’S LEARNING CENTER

SBA’s Learning Center is a virtual campus complete with free online courses, workshops, podcasts and learning tools.

Key Features of the SBA’s Online Learning Center:

- Training is available anytime and anywhere — all you need is a computer (or mobile device) with Internet access.
- Nearly 40 free online and interactive courses and workshops available.
- Templates and samples to get your business planning underway.

Course topics include tutorials on writing a business plan, financing strategies that include SBA lending programs, mastering overseas markets through exporting, public sector procurement tactics, and specialty material for veterans, young entrepreneurs, and women business owners. This robust portal also includes video content, templates and articles.

Visit www.sba.gov/learning for these free resources.

SBA’S CLUSTER INITIATIVE

Every small business must effectively connect into the key relationships necessary to drive success in its particular industry or market sector. Regional Innovation Clusters act as a networking hub to connect small businesses in a particular industry sector and geographic region with other business innovators in the same sector and with specialized suppliers, research institutions, large prime customers or contractors and investors who also operate in that sector. In addition, market success requires small businesses to know their customers and target their product development dollars efficiently. Therefore, through intensive, industry-specific technical assistance, our Clusters help small business innovators commercialize promising technologies needed by government and industry buyers in that particular sector. And then, through showcasing, networking and “demonstration events,” they help get these small businesses and their products in front of investment and other funding sources, research institutions and customers/buyers in order to bring products to market.

Across the country, our resource partners work with our Regional Innovation Clusters: The resource partners provide the businesses with information and coaching on the key building blocks of business success, while the Cluster experts help them with the highly technical product development and relationship-building assistance necessary to get and keep customers and investors in their particular market sector (such as smart-grid, fuel cell energy storage, solar cells, imaging, aerospace, and agricultural processing technologies and networks).

For more information on SBA’s Cluster Initiative, go to www.sba.gov/clusters.

The right loan to fit your business needs.

The right team to help you grow your business.

At Amegy, our success is built on the relationships we keep. Our experienced SBA team makes every decision locally – offering you a more simplified loan process and a quicker turnaround.

Visit amegybank.com or give us a call.
Houston 281-320-7405 | Dallas 214-754-6424 | San Antonio 210-343-4443

PREFERRED SBA LENDER — HOUSTON • DALLAS • SAN ANTONIO

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

**WOMEN BUSINESS OWNERS**

Women entrepreneurs are changing the face of America’s economy. In the 1970s, women owned less than 5 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. The office oversees a nationwide network over 100 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, and marketing, as well as access to all of the SBA’s financial and procurement assistance programs.

**VETERAN BUSINESS OWNERS**

The Office of Veterans Business Development (OVBD), established with Public Law 106-50, has taken strides in expanding assistance to veteran, service-disabled veteran small business owners and reservists by ensuring they have access to SBA’s full range of business/technical assistance programs and services, and that they receive special consideration for SBA’s entrepreneurial programs and resources.

The SBA’s Veterans Office provides funding and collaborative assistance for a number of special initiatives targeting local veterans, service-disabled veterans, and Reserve Component members. These initiatives include Veterans Business Outreach Centers (VBOCs), the business assistance tools—Balancing Business and Deployment, and Getting Veterans Back to Business, which includes interactive CD ROMs for reservists to help prepare for mobilization and/or reestablishment of businesses upon return from active duty.

The agency 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.

Each of the SBA’s 68 District Offices also has a designated veteran’s business development officer. These local points-of-contact assist veteran small business owners/entrepreneurs with starting, managing and growing successful businesses. Yearly, 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. In fiscal year 2012, the number of veterans assisted through OVBD programs exceeded 135,000. For more information about OVBD, please visit www.sba.gov/veterans.

**NATIONAL BOOTS TO BUSINESS INITIATIVE**

The aptly named Operation Boots to Business program (B2B) builds on SBA’s role as a national leader in entrepreneurship training. The program’s mission is to develop veteran entrepreneurs from the approximately 250,000 service members who transition from the military each year. Boots to Business is an entrepreneurial education program offered as an elective track within the Department of Defense’s revised Transition Assistance Program called Transition Goals, Plans, Success (Transition GPS). The curriculum provides valuable assistance to transitioning service members exploring self-employment opportunities by leading them through the key steps for evaluating business concepts and the foundational knowledge required for developing a business plan. Participants are also introduced to SBA resources available to help access start up capital and additional technical assistance. Boots to Business is delivered in partnership with SBA resource partners and the Institute for Veterans and Military Families at Syracuse University. It is available free of charge at participating installations to service members and their dependents transitioning or retiring from the U.S. military.

The program has three parts: 1) The Entrepreneurship Track Overview - an introductory video shown during the mandatory five day Transition GPS course; 2) Introduction to Entrepreneurship – a two day classroom course offered as one of the three Transition GPS elective tracks; and, 3) Foundations of Entrepreneurship – an eight week instructor led online course that offers in-depth instruction on the elements of a business plan and tips and techniques for starting a business. After completing the course, counselors and mentors from SBA’s resource partner network remain available to work with veterans in their local communities. For more information about B2B, please visit www.sba.gov/boots2business.

**CENTER FOR FAITH-BASED AND NEIGHBORHOOD PARTNERSHIPS**

SBA’s Center for Faith-Based and Neighborhood Partnerships (The Partnership Center) works to engage and build strong partnerships with community and nonprofit organizations, both secular and faith-based, to support entrepreneurship, economic growth and promote prosperity for all Americans. The center works in coordination...
with other offices within the Agency to assist in formulating policies and practices with the goal of extending the reach and impact of SBA programs into communities. SBA recognizes the important role of community leaders and networks in economic development at the local and national level, and that partnerships provide effective and efficient leverage for SBA programs. Further, the center plays a key role in helping identify, engage and impact underserved communities.

The program engages in outreach, technical assistance, education, formulates and administers training programs, coordinates entrepreneurial and business development opportunities and access to SBA’s 68 district offices and extensive network of resource grant partners. The center additionally works with the White House Office of Faith-Based and Neighborhood Partnerships and the Faith-Based and Neighborhood Partnership Centers that are within 13 additional federal agencies, and participates in interagency working groups to ensure effective and efficient coordination of resources and initiatives.

The center was established by, and follows the guidelines, operational policy and statutory requirements of Executive Order 13279 — Fundamental Principles and Policymaking Criteria for Partnerships with Faith-Based and Other Neighborhood Organizations.

The office provides a network of training initiatives that include a Native American Business Development Workshop, a Native American 8(a) Business Development Workshop, Emerging Leaders (formerly e200) and the online tool, “Small Business Primer: Strategies for Growth”. ONAA also is responsible for consulting with tribal governments prior to finalizing SBA policies that may have tribal implications.

Visit www.sba.gov/naa for more information.

VETERANS BUSINESS OUTREACH CENTERS

The Veterans Business Outreach Program (VBOP) is designed to provide entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business. The SBA has 15 organizations participating in this cooperative agreement and serving as Veterans Business Outreach Centers (VBOC) across the country. Services provided by VBOC’s include: pre-business plan workshops, concept assessments, business plan preparations, comprehensive feasibility analysis, entrepreneurial training and counseling, mentorship, and other business-development related services. VBOCs also provide assistance and training in such areas as international trade, franchising, Internet marketing, accounting, etc. For a VBOC directory, please visit www.sba.gov/vets.

SBA also administers two contracting and business development programs that are specifically designed to benefit underserved communities. For more information on the 8(a) Business Development Program and the HUBZone Program, see contracting section.

NATIVE AMERICAN BUSINESS DEVELOPMENT

The SBA Office of Native American Affairs (ONAA) ensures that American Indians, Alaska Natives and Native Hawaiians seeking to create, develop and expand small businesses have full access to business development and expansion tools available through the agency’s entrepreneurial development, lending, and contracting programs.

Looking for government help to start or expand your business?

Want to tap into foreign markets?

Go to the government’s portal to over 24 federal agencies and hundreds of state and local resources.

Your Gateway to Success

BusinessUSA.gov or 1-800-FED-INFO

BusinessUSA.gov is an official website of the United States Federal Government.
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 trust that they will support you during this time. There may also 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 these 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.

Visit www.sba.gov/franchise for more information.

**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 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, and 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. The 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.
- 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 economic development specialists or veterans’ business development specialists.

Remember, the business plan is a flexible document that should change as your business grows.
Many entrepreneurs need financial resources to start or expand a small business 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. The SBA does not provide 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. The SBA has a variety of loan programs which are distinguished by their different uses of the loan proceeds, their dollar amounts, and the requirements placed on the actual lenders. The three principal players in most of these programs are the applicant small business, the lender and the SBA. The agency does not actually provide the loan, rather they guaranty a portion of the loan provided by a lender (except for microloans). The lender can be a regulated bank or credit union, or a community based lending organization.

The business will need to make application to the lender by providing them the documents they require. Generally an application includes a business plan that explains what resources will be needed to accomplish the desired business purpose including the associated costs, the applicants’ contribution, planned uses for the loan proceeds, a listing of the assets that will secure the loan (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 make a determination if they will need an SBA guaranty in order to provide the loan. SBA will look to the lender to do much, if not all, of the analysis before it provides its guaranty to the lender’s proposed loan. The SBA’s business loan guaranty programs provide a key source of financing for viable small businesses that have real potential but cannot qualify for credit on reasonable terms by themselves.

In the case of microlenders, SBA lends monies to intermediaries at favorable rates so they can re-lend to businesses with financing needs up to $50,000.

**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 uses for the loan proceeds 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 directly 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 deny the applicants’ request for financial assistance.

The guaranty that SBA provides the lenders reduces the lender’s risk of borrower non-payment by providing a guaranty on a percentage of the total loan. If the borrower defaults, the lender can request that SBA pay the lender that percentage of the outstanding balance which the Agency guaranteed. This allows the lender to recover a portion of the defaulted debt from the SBA if the borrower can’t make the payments. The borrower is still obligated for the full amount.

To qualify for an SBA guaranteed loan, a small business must meet the lender’s criteria and the 7(a) program requirements. In addition, the lender must certify that it would not provide this loan under the proposed terms and conditions without 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 the SBA.

**Percentage of Guaranty and Loan Maximums**

SBA only guarantees a portion of any particular 7(a) 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 of guaranty 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 generally guarantees as much as 85 percent and for loans over $150,000 the SBA generally provides a guaranty of up to 75 percent. Loans made under the SBAExpress program, which is discussed later in this section, have a 50 percent guaranty. The maximum 7(a) loan amount is $5 million and there is no minimum.

Interest Rates and Fees

The actual interest rate for a 7(a) loan guaranteed by the SBA is negotiated between the applicant and lender and is subject to the SBA maximums. Both fixed and variable interest rate structures are available. The maximum

What to Take to the Lender

Documentation requirements will vary depending upon the purpose of the loan. Contact your lender for the information you must supply.

Common requirements include the following:

- A Business Plan that includes:
  - Purpose of the loan
  - History of the business
  - 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.
  - Amount of investment in the business by the owner(s)
  - Projected opening-day balance sheet (new businesses)
  - Lease details
  - Proposed Collateral

Financial Statements that include:

- Balance Sheet and Income Statement (P&L) for three years (existing businesses) (Tax Returns usually suffice)
- Interim Financial Statements dated within 120 days of the request for assistance
- Schedule of term debts (existing businesses)
- Aging of accounts receivable and payable (existing businesses)

How the 7(a) Program Works

Small Business applicants submit their loan application to a lender for the initial review. It is recommended that the first lender be the lender who maintains the personal account of the owner. The lender will generally review the credit merits of the request before deciding if they will make the loan themselves or if they will need an SBA guaranty. If a guaranty is needed, the lender will also review the application for SBA eligibility. The applicant should be prepared to complete some additional documents the lender will need because SBA requires them, if the lender requests a guaranty from SBA. Applicants who feel they need more help with the process should contact their local SBA district office or one of the SBA’s resource partners for assistance.

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.

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rate comprises 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 have higher maximums.

Loans guaranteed by the 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 initially paid by the lender and then passed on to the borrower at closing. The funds to reimburse the lender can be included in the overall 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:
- 2.0 percent of the SBA guaranteed portion on loans up to $150,000; **
- 3.0 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 the SBA.
**For all SBA-guaranteed loans of $150,000 or less that are approved between October 1, 2013 and September 30, 2014, the guaranty fee will be 0%.

7(a) Loan Maturities

The SBA’s 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. SBA can also guaranty a lenders short-term loans or revolving line of credit to help small businesses meet their short-term and cyclical working capital needs.

Structure

Most 7(a) term loans are repaid with monthly payments of principal and interest. For fixed-rate loans the payments stay the same because the interest rate is constant. For variable rate loans the lender can change the payment amount when the interest rates change. 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) term loan. The lender may not charge a prepayment penalty if the loan is paid off before maturity but the SBA will

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**SUCCESS STORY**

**Leggett Tactical Solutions**

EDEN, TX—A common thread, “Made in the USA”, runs through the manufacturing business in Eden, Texas owned by the brother team of Blake and Bryce Leggett. Leggett Tactical Solutions and White Wing Label are the resulting businesses which the Leggetts, along with their lead designer, Juan Vasquez, launched four years ago. President of the company, Blake Leggett an Air Force Veteran, enjoyed customizing accessory soft goods for himself and other comrades while serving overseas and felt this creativity could be useful to the Department of Defense customer, especially in the Special Forces Community. Bryce Leggett fueled the fire with a determination to show the world his unique design capabilities. With a tenacity and resolve that is reminiscent of the American Dream; the brothers embarked on the long and trying journey of establishing a brand that is now recognized industry wide. To date, Bryce has designed custom products for each Special Warfare Group within the 4 main branches of the Department of Defense, and has earned the moniker of “The Wizard” within those ranks.

Initially, Blake made contact with Angelo State University Small Business Development Center for assistance with the first business plan. From that beginning, the SBDC and advisor Peggy Rossper, continue a working relationship. Blake recalled the journey, “Anyone can have a great idea or plan, but the most dangerous enemy to a business is navigating the obstacles that you didn’t know were there in the first place. The ASU SBDC and Peggy Rosper were instrumental in helping us negotiate those obstacles in an efficient and positive manner.”

As the brothers grew their business, they had numerous requests for a commercial line that the public could purchase. Having researched and identified a void in American Quality in the men’s sporting gear and luggage market, LTS created White Wing Label, an affiliate of LTS. The unique canvas and leather pieces are designed as luggage, sporting accessories and personalized gifts for men. After 1.5 years since inception, White Wing Label now has 31 independent sales representatives servicing over 250 retail outlets.

Ever expanding, the Leggett’s have made a significant difference in the economic base of Eden and the Concho Valley.

EVIDENCE/IMPACT:

- Business Expansion
- Owner Investment
- Increased Sales: $457,000
- Contract Awarded: $1.1M
- Jobs Retained: 12
- Jobs Created: 12
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 secured first with the assets acquired with the loan proceeds and then with additional business and personal assets depending on the loan amount and the way the lender requests their guaranty. However, SBA will not decline a request to guaranty a loan if the only unfavorable factor is insufficient collateral, provided all available collateral is offered. When the lender says they will need an SBA guaranty, the applicant should be prepared for liens to be placed against all business assets. Personal guaranties are required from all the principal owners of the business. Liens on personal assets of the principals may also 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 the SBA. The basic size standards are outlined below. A more in-depth listing of standards can be found at [www.sba.gov/size](http://www.sba.gov/size).

**SBA Size Standards have the following general ranges:**

- **Manufacturing** — from 500 to 1,500 employees
- **Wholesale Trades** — Up to 100 employees
- **Services** — $2 million to $35.5 million in average annual receipts
- **Retail Trades** — $7 million to $35.5 million in average annual receipts
- **Construction** — $7 million to $33.5 million in average annual receipts
- **Agriculture, Forestry, Fishing, and Hunting** — $750,000 to $17.5 million in average annual receipts

There is an alternate size standard for businesses that do not qualify under their industry size standards for SBA funding – tangible net worth ($15 million or less) and average net income ($5 million or less for two years). This new alternate makes more businesses eligible for SBA loans and applies to SBA non-disaster loan programs, namely its 7(a) Business Loans and Certified Development Company 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 nature, businesses involved in gambling and any illegal activity.

The SBA also cannot make 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.

### Expand what’s possible for your business

More businesses than ever are reaching their goals with SBA loans from Wells Fargo. We can provide the financing you need to:

- Purchase a building or an existing business
- Finance a partner buyout
- Meet virtually any other business need

Plus, our SBA loan programs feature low down payments and longer terms that make qualifying easier and preserve cash.

Call us today — let’s open new doors for your business!

1-800-545-0670 (Monday – Friday, 7:00 a.m. – 7:00 p.m. Central Time) or visit us at wellsfargo.com/biz to learn more.

*Wells Fargo is the #1 SBA 7(a) lender by dollars according to the U.S. Small Business Administration as of September 30, 2013. All financing is subject to credit approval and SBA eligibility. © 2013 Wells Fargo Bank, N.A. All rights reserved. ECG-1092616*
Use of Proceeds

The third eligibility factor is use of proceeds. 7(a) proceeds can be used to purchase machinery, equipment, fixtures, supplies, and to make improvements to land and/or buildings that will be occupied by the subject applicant business.

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 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 where the business and its principal owners use their own resources before getting a loan guaranteed by the SBA. It also includes the SBA’s anti-discrimination rules and limitations 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.

SPECIAL PURPOSE 7(a) LOAN PROGRAMS

The 7(a) loan program is the most flexible of the SBA’s lending programs. Over time, the Agency has developed several variations to the basic 7(a) program in order to address specific financing needs for particular types of small businesses. The general distinguishing feature between these loan types is their use of proceeds. These programs allow the proceeds to be used in ways that are not otherwise permitted in a basic 7(a) loan. 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 basic 7(a) loan. Lenders can advise you of any variations. The Special Purpose Loans include:

International Trade Loan Program

The SBA’s International Trade Loan (ITL) is designed to help small businesses enter and expand into international markets or, when adversely affected by import competition, to make the investments necessary to better compete. The ITL offers a combination of fixed asset, working capital financing and debt refinancing with the SBA’s maximum guaranty—90 percent—on the total loan amount. The maximum loan amount is $5 million.

Guaranty Coverage

The SBA can guaranty up to 90 percent of an ITL up to a maximum of $4.5 million, less the amount of the guaranteed portion of other SBA loans outstanding to the borrower. The maximum guaranty for any working capital component of an ITL is limited to $4 million. Any other working capital SBA loans that the borrower has are counted against the $4 million guaranty limit.

Use of Proceeds

- For the facilities and equipment portion of the loan, proceeds may be used to acquire, construct, renovate, modernize, improve or expand facilities or equipment in the U.S. to produce goods or services involved in international trade, including expansion due to bringing production back from overseas if the borrower exports to at least one market.
- Working capital is an allowable use of proceeds under the ITL.
- Proceeds may be used for the refinancing of debt not structured on reasonable terms and conditions, including any debt that qualifies for refinancing under the standard SBA 7(a) Loan Program.

Loan Term

- Maturities on the working capital portion of the ITL are typically limited to 10 years.
- Maturities of up to 10 years on equipment unless the useful life exceeds 10 years.
- Maturities of up to 25 years are available for real estate.
- Loans with a mixed use of fixed-asset and working-capital financing will have a blended-average maturity.

Interest Rates

Lenders may charge between 2.25 to 2.75 percent above the prime rate (as published in the Wall Street Journal) depending upon the maturity of the loan. Interest rates on loans of $50,000 and less can be slightly higher.

Exporter Eligibility

- Applicants must meet the same eligibility requirements as for the SBA’s standard 7(a) Loan Program.
- Applicants must also establish that the loan will allow the business to expand or develop an export market or, demonstrate that the business has been adversely affected by import competition and that the ITL will allow the business to improve its competitive position.

Foreign Buyer Eligibility

Foreign buyers must be located in those countries where the Export-Import Bank of the U.S. is not prohibited from providing financial assistance.

Collateral Requirements

- Only collateral located in the U.S. (including its territories and possessions) is acceptable.
- First lien on property or equipment financed by the ITL or on other assets of the business is required. However, an ITL can be secured by a second lien position if the SBA determines there is adequate assurance of loan repayment.
- Additional collateral, including personal guarantees and those assets not financed with ITL proceeds, may be appropriate.

How to Apply

- A small business seeking an ITL must apply to an SBA-participating lender. The lender will submit a completed Application for Business Loan form, including all exhibits, to the SBA. Visit the Web site of your local SBA district office for a list of participating lenders.
- A small business wanting to qualify as adversely impacted from import competition must submit supporting documentation that explains the impact, and a plan with projections that explains how the loan will improve the business’ competitive position.

**CAPLines**

The CAPLines program for loans up to $5 million is designed to help small businesses meet their short-term and cyclic 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, subcontracts, or purchase orders; finance the direct cost associated with commercial and residential construction; or provide general working capital lines of credit. The SBA provides up to 85 percent guarantee. There are four distinct loan programs under the CAPLine umbrella:

- **The Contract Loan Program** is used to finance the cost associated with contracts, subcontracts, or purchase orders. Proceeds can be disbursed before the work begins. If used for one contract or subcontract, it is generally not revolving; if used for more than one contract or subcontract at a time, it can be revolving. The loan maturity is usually based on the length of the contract, but no more than 10 years. Contract payments are generally sent directly to the lender but alternative structures are available.

- **The Seasonal Line of Credit Program** is used to support buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory. The business must have been in business for a period of 12 months and must have a definite established seasonal pattern. The loan may be used over again after a “clean-up” period of 30 days to finance activity for a new season. These loans also may have a maturity of up to five years. The business may not have another seasonal line of credit outstanding but may have other lines for non-seasonal working capital needs.

- **The Builders Line Program** provides financing for small contractors or developers to construct or rehabilitate residential or commercial property. Loan maturity is generally three years but can be extended up to five years, if necessary, to facilitate sale of the property. Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. The purchase of the land can be included if it does not exceed 20 percent of the loan proceeds. Up to 5 percent of the proceeds can be used for physical improvements that benefit the property.

- **The Working Capital Line Program** is a revolving line of credit (up to $5,000,000) that provides short term working capital. These lines are generally used by businesses that provide credit to their customers, or whose principle asset is inventory. Disbursements are generally based on the size of a borrower’s accounts receivable and/or inventory. Repayment comes from the collection of accounts receivable or sale of inventory. The specific structure is negotiated with the lender. There may be extra servicing and monitoring of the collateral for which the lender can charge up to 2 percent annually to the borrower.

**Other Guaranty Lines of Credit**

All the Special Purpose Programs listed above have SBA structured repayment terms meaning the Agency tells the lender how principal and interest is to be repaid. These programs also require the lender to use certain closing forms. Lenders with the ability to obtain 7(a) guarantees through any of the Express processes are considered experienced enough to be able to structure their own repayment terms and use their own closing documents. With this ability the lender can tailor a line of credit that it gets guaranteed by SBA to the needs of the business. Therefore, if a potential applicant sees that the previously listed Basic 7(a) or Special Purpose 7(a) Programs don’t meet their needs they should discuss their options with a lender capable of providing an SBAExpress loan with an SBA guaranty.

**7a) LOAN PROCESSES FOR LENDERS**

There are various procedures for lenders to follow when they apply to SBA for a 7(a) guaranty. Some are designed for experienced lenders who are fully committed to providing business loans guaranteed by SBA to their clientele that need them, while others are designed for lenders with limited experience or when there are certain issues that require SBA to thoroughly review the situation. The foundational process is called the Standard Loan Guaranty Process and it is used by lenders to request a guaranty from SBA when they are new to SBA lending or the request requires an SBA review. Other methods of processing have less requirements for SBA but more for the lender and the determining factors on which one a lender will use depends on the experience of the lender in dealing with SBA, the complexity of the case, the purpose of the loan, and the dollar amount being requested.

**Standard 7(a) Loan Processing**

After the applicant business and lender complete their required documents, the lender makes application to SBA for a guaranty by submitting them to SBA’s Loan Guaranty Processing Center. The center will screen the application and, if satisfactory complete a thorough review of both eligibility and creditworthiness before making the decision to approve the issuance of a guaranty as submitted, approve with modifications (which will be discussed with the lender), or reject the request. When the lender makes application to SBA, they have already internally agreed to approve the recommended loan to the applicant if, and only if, the SBA provides a guaranty.

Standard processing means a lender makes their request for guaranty using SBA Form 1920 and the applicant completes SBA Form 1919, even if the applicant previously completed the lender’s required application forms. The analysis of eligibility starts with a review of the “Eligibility Questionnaire,” completed by the lender. The analysis of credit starts with a review of the SBA Form 1920 and the lender’s credit memo which must discuss at least six elements:

1. Balance sheet and ratio analysis;
2. Analysis of repayment. It is not acceptable to base repayment ability solely on the applicant’s credit score;
3. Assessment of the management skills of the applicant;
4. Explanation of the collateral used to secure the loan and the adequacy of the proposed collateral;
5. Lender’s credit history with applicant including an explanation of any weaknesses;
6. Current financial statements and pro-forma financial spread. SBA pro-forma analysis reflects how the business will look immediately following disbursement, not one year after disbursement.
SBA also expects that the lender’s credit memo includes the intended use of the loan proceeds and any historical and current issues that require explanation. SBA also expects a discussion of the process by which the applicant business generates its income when it is not immediately obvious. An explanation of how the business conducts its operation is also expected.

SBA has three days to screen and 10 days to process the request for guaranty from the lender. Any additional time a lender takes to make their determination will add to the length of time to reach a final decision. If the guaranty is approved, SBA will prepare a loan authorization outlining the terms and conditions under which the guaranty is provided and prepare an approval letter for transmission to the lender.

**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 select, experienced lenders to use mostly their own forms, analysis and procedures to process, structure, service, and disburse 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.

**Export Express**

SBA Export Express offers flexibility and ease of use for both borrowers and lenders. It is the simplest export loan product offered by the SBA and allows participating lenders to use their own forms, procedures and analyses. The SBA provides the lender with a response within 36 hours.

This loan is subject to the same loan processing, closing, servicing and liquidation requirements as for other similar-sized SBA loans.

**Guaranty Coverage**

The SBA provides lenders with a 90 percent guaranty on loans up to $350,000 and a 75 percent guaranty on loans between $350,001 and $500,000.

**Interest Rates**

Terms are negotiated between the borrower and lender but interest rates may not exceed Prime plus 4.5 percent on loans over $50,000 and Prime plus 6.5 percent on loans of $50,000 or less.

**Use of Proceeds**

Loan proceeds may be used for business purposes that will enhance a company’s export development. Export Express can take the form of a term loan or a revolving line of credit. As an example, proceeds can be used to fund participation in a foreign trade show, finance standby letters of credit, translate product literature for use in foreign markets, finance specific export orders, as well as to finance expansions, equipment purchases, and inventory or real estate acquisitions, etc.

**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.

**Exporter Eligibility**

Any business that has been in operation, although not necessarily in exporting, for at least 12 full months and can demonstrate that the loan proceeds will support its export activity is eligible for Export Express. The one year in business operations requirement can be waived if the applicant can demonstrate previous successful business experience and exporting expertise and the lender does conventional underwriting, not relying solely on credit scoring.

**Foreign Buyer Eligibility**

The exporter’s foreign buyer must be a creditworthy entity and not located in countries prohibited for financial support on the Export-Import Bank’s Country Limitation Schedule and the methods of payment must be acceptable to the SBA and the SBA lender.

**How to Apply**

Interested businesses should contact their existing lender to determine if they are an SBA Export Express lender. Application is made directly to the lender. Lenders use their own application material in addition to SBA’s Borrower Information Form. Lenders’ approved requests are then submitted with a limited amount of eligibility information to SBA’s National Loan Processing Center for review.

**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. Exporters can apply for EWCP loans in advance of finalizing an export sale or contract. With an approved EWCP loan in place, exporters have greater flexibility in negotiating export payment terms—secure in the assurance that adequate financing will be in place when the export order is won.

**Benefits of the EWCP**

- Financing for suppliers, inventory or production of export goods.
- Export working capital during long payment cycles.
- Financing for stand-by letters of credit used as bid or performance bonds or advance payment guarantees.
- Reserves domestic working capital for the company’s sales within the U.S.
- Permits increased global competitiveness by allowing the exporter to extend more liberal sales terms.
- Increases sales prospects in under-developed markets which may have high capital costs for importers.
- Low fees and quick processing times.

**Guaranty Coverage**

- Maximum loan amount is $5,000,000.
- 90 percent of principal and accrued interest up to 120 days.
- Low guaranty fee of one-quarter of one percent of the guaranteed portion for loans with maturities of 12 months or less.
- Loan maturities are generally for 12 months or less.

**Use of Proceeds**

- To pay for the manufacturing costs of goods for export.
- To purchase goods or services for export.
- To support standby letters of credit to act as bid or performance bonds.
- To finance foreign accounts receivable.

**Interest Rates**

The SBA does not establish or subsidize interest rates on loans. The interest rate can be fixed or variable and is negotiated between the borrower and the participating lender.
**Advance Rates**
- Up to 90 percent on purchase orders.
- Up to 90 percent on documentary letters of credit.
- Up to 90 percent on foreign accounts receivable.
- Up to 75 percent on eligible foreign inventory located within the U.S.
- In all cases, not to exceed the exporter’s costs.

**Collateral Requirements**
The export-related inventory and the receivables generated by the export sales financed with EWCP funds generally will be considered adequate collateral. The SBA requires the personal guarantee of owners with 20 percent or more ownership.

**How to apply**
Application is made directly to SBA-participating lenders. Businesses are encouraged to contact SBA staff at their local U.S. Export Assistance Center (USEAC) to discuss whether they are eligible for the EWCP and whether it is the appropriate tool to meet their export financing needs. Participating lenders review/approve the application and submit the guaranty request to SBA staff at the local USEAC.

**U.S. Export Assistance Centers**
SBA trade finance specialists are located in 19 U.S. Export Assistance Centers throughout the U.S., which also are staffed by U.S. Department of Commerce and, in some locations, Export-Import Bank of the U.S. personnel, providing trade promotion and export-finance assistance in a single location. The USEACs also work closely with other federal, state and local international trade organizations to provide assistance to small businesses. To find your nearest USEAC, visit: [http://www.sba.gov/content/us-export-assistance-centers](http://www.sba.gov/content/us-export-assistance-centers). You can find additional export training and counseling opportunities by contacting your local SBA district office.

**Rick Schulze**
Regional Manager
International Trade Finance Manager – Western U.S.
North Texas U.S. Export Assistance Center
4300 Amon Carter Blvd., Ste. 114
Fort Worth, TX 76155
817-684-5506 • 817-3784-5516 Fax
richard.schulze@sba.gov

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**Community Advantage Loans**
The **Community Advantage Pilot Program** is aimed at helping lenders to assist entrepreneurs in underserved communities gain access to capital by opening up 7(a) lending to mission-focused, community-based lenders — such as Community Development Financial Institutions (CDFIs), Certified Development Companies (CDCs), and microlenders — who provide technical assistance and economic development support in underserved markets. The applicants and lender each has SBA forms to complete before SBA can provide the lender with a determination on whether or not the request for guaranty is approved. Visit [www.sba.gov/advantage](http://www.sba.gov/advantage) for more information.

The currently approved Community Advantage lenders within the San Antonio District, as of May 31, 2014, are:

**ACCION Texas, Inc.**
2014 S. Hackberry
San Antonio, TX 78210
210-226-3664 ext. 1113
210-533-2940 Fax
Offices located in Austin, Brownsville, Corpus Christi, Dallas/Fort Worth, McAllen, El Paso, Houston and Laredo.

**CEN-TEX Certified Development Corporation dba BCL of Texas**
2212 S. Congress Ave.
Austin, TX 78704
888-718-0180 or 512-912-9885
512-610-2568 Fax
Office in Dallas also

**Capital Certified Development Company**
1250 Capital of Texas Hwy. S.
Bldg. 1, Ste. 600
Austin, TX 78746
800-504-CCDC or 512-327-9229
512-327-9243 Fax
Offices located in Austin, Dallas/Fort Worth, Houston, San Antonio, South Texas, and West Texas

**PeopleFund**
2921 E. 17th St., Bldg. D., Ste. 1
Austin, TX 78702
512-472-8087 • 512-472-8191 Fax
Offices in Dallas and Houston.

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**NORTH TEXAS CERTIFIED DEVELOPMENT CORPORATION OFFERS LONG-TERM, LOW INTEREST FINANCING.**

- **COMMERCIAL REAL ESTATE**
- **EQUIPMENT PURCHASE**
- **IMPROVEMENT, EXPANSION, OR RELOCATION**
- **NEW PRACTICE START-UP**
- **PRACTICE SALES & PURCHASE**

**EXPERIENCE. SERVICE. RESULTS.**

For more information, please contact
Ceflana Williams at 512.787.2164
or cwilliams@northtxscdc.com
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. The 504 loan 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.

The SBA’s 504 Certified Development Companies (CDC) serve their communities by financing business expansion needs. Their professional staff work directly with borrowers to tailor a financing package that meets program guidelines and the credit capacity of the borrower’s business.

CDCs work with banks and other lenders to make loans in first position on reasonable terms, helping lenders retain growing customers and provide Community Reinvestment 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 related 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.
- 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 two years old), and a further injection of 5 percent is also required if the primary collateral will be a single-purpose building (such as a hotel).

- Two-tiered project financing: 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. The 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. For information, visit [www.sba.gov/504](http://www.sba.gov/504).

State-Wide Certified Development Companies

<table>
<thead>
<tr>
<th>Abilene</th>
<th>Council Finance, Inc.</th>
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<tbody>
<tr>
<td>Tom Smith, Executive Director</td>
<td>West Central Texas Council of Governments</td>
</tr>
<tr>
<td>3702 Loop 322</td>
<td>Abilene, TX 79604</td>
</tr>
<tr>
<td>325-672-8544 • 325-675-5214 Fax</td>
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<tr>
<th>Amarillo</th>
<th>Texas Panhandle Regional Development Corporation</th>
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<tbody>
<tr>
<td>Doug Nelson, Director</td>
<td>801 S. Fillmore, Ste. 205</td>
</tr>
<tr>
<td>Amarillo, TX 79101</td>
<td>806-331-6172 • 806-371-0112 Fax</td>
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<thead>
<tr>
<th>Austin</th>
<th>Capital Certified Development Corporation</th>
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<tr>
<td>Thomas Brasch, Executive Director</td>
<td>1250 Capital of Texas Hwy. S.</td>
</tr>
<tr>
<td>Bldg. 1, Ste. 600</td>
<td>Austin, TX 78745</td>
</tr>
<tr>
<td>800-504-CCDC or 512-327-9229</td>
<td>512-327-9243 Fax</td>
</tr>
<tr>
<td>Offices located in Austin, Dallas/Fort Worth, Houston, Lubbock, San Antonio and South Texas</td>
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<tr>
<th>Austin</th>
<th>CEN—TEX Certified Development Corporation dba BCL of Texas</th>
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<tr>
<td>Rosa Rios Valdez, Executive Director</td>
<td>2212 S. Congress Ave.</td>
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<tr>
<td>Austin, TX 78704</td>
<td>888-718-0180 or 512-912-9884</td>
</tr>
<tr>
<td>512-610-2568 Fax</td>
<td>Satellite offices located in Brownsville and Dallas</td>
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<tr>
<th>Beaumont</th>
<th>Southeast Texas Economic Foundation dba SBAlliance Capital</th>
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<tr>
<td>James Rich, Executive Director</td>
<td>1701 E. 7th St.</td>
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<tr>
<td>Austin, TX 78702</td>
<td>800-486-8620 or 512-433-1175</td>
</tr>
<tr>
<td>512-433-1821 Fax</td>
<td>Satellite offices located in Dallas, Houston, Laredo, Corpus Christi/Lower Rio Grande Valley and San Antonio</td>
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<tr>
<th>Brownsville</th>
<th>Brownsville Local Development Co. Inc. dba Business Development Fund of Texas</th>
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<tr>
<td>Daniel Alaniz</td>
<td>2335 Central Blvd.</td>
</tr>
<tr>
<td>Brownsville, TX 78520</td>
<td>956-546-4020 • 956-541-7617 Fax</td>
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<tr>
<th>Dallas</th>
<th>Business Loan Express</th>
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<tbody>
<tr>
<td>W. David Jenkins</td>
<td>700 Pearl St., Ste. 1850</td>
</tr>
<tr>
<td>Dallas, TX 75201</td>
<td>214-389-6109</td>
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<tr>
<th>Dallas</th>
<th>Dallas Business Finance Corporation</th>
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<tr>
<td>Charles McElrath, President</td>
<td>400 South Zang Blvd., Ste. 1210</td>
</tr>
<tr>
<td>Dallas, TX 75208</td>
<td>214-948-7800 ext. 11 • 214-948-8104 Fax</td>
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MICROLOAN PROGRAM
(LOANS UP TO $50,000)

The Microloan program provides very small loans (up to $50,000) to women, low-income, minority, veteran, and other small business owners through a network of more than 100 Intermediaries nationwide. Under this program, the SBA makes funds available to nonprofit intermediaries that, in turn, make the small loans directly to start-up and existing businesses. Entrepreneurs work directly with the Intermediaries to receive financing, and business knowledge support. The proceeds of a microloan can be used for working capital, or the purchase of furniture, fixtures, supplies, materials, and/or equipment. 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 six years. Because funds are borrowed from the Intermediary, SBA is not involved in the business loan application or approval process. And, payments are made directly from the small business to the Intermediary.

The program also provides business-based training and technical assistance to micro-borrowers and potential micro-borrowers to help them successfully start or grow 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 the nearest SBA district office for information about the nearest Microloan Program Intermediary Lender or go to www.sba.gov/microloans.
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 an incentive 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 subcontract up to $6.5 million. The SBA reimburses sureties between 70 and 90 percent of losses sustained if a contractor defaults on the contract. On Federal contracts, SBA can guarantee bonds on contracts up to $10 million, if the contracting officer certifies that a guarantee would be in the best interest of the Government.

SBA has two program components, the Prior Approval Program and the Preferred Surety Bond Program. In the Prior Approval Program, the 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 Prior Approval Program receive an 80 percent guarantee. Sureties must obtain the SBA’s prior approval for each bond guarantee issued. Under the Preferred Program, the SBA guarantees 70 percent, and sureties may issue, monitor and service bonds without the SBA’s prior approval. Small businesses, surety companies, and bond producers are invited to visit our website at www.sba.gov/osg. You may also call the program office at 202-205-6545.

PARTICIPATING AGENTS IN TEXAS – AS OF JUNE 3, 2014

ACORA Surety & Insurance Services, LLC
3246 E. Hwy, 7, Ste. 150
Montevideo, MN 56265
320-269-3144 • 320-269-3154 Fax

Alexander & Associates Insurance Services
200 Bartlett Dr.
El Paso, TX 79912
915-356-1000

American Contracting Services, Inc.
5933 Glenway Ave.
Cincinnati, OH 45238
513-793-5333 • 513-793-8498 Fax

American Contractors Indemnity Company
601 S. Figueroa St., Ste. 1600
Los Angeles, CA 90017
927-930-0880

American Surety Bonds Agency LLC
1587 N.E. Expwy.
Atlanta, GA 30329
404-486-2355 • 404-329-8156 Fax

Assurance Brokers, LTD
95 N. Research Dr., Ste. 100
Edwardsville, IL 62025
618-692-9800 • 618-692-9865 Fax

BRG Insurance & Bonds, LLC
200 Colonial Center Pkwy., Ste. 250
Lake Mary, FL 32746
407-936-9930 • 407-333-3277 Fax

Babb Bonding, Inc.
801 E. Kiehl
Sherwood, AR 72124
501-834-5801

Baldwin-Cox Agency
5930 Preston View Blvd., Ste. 200
Dallas, TX 75240
972-644-2688 • 972-644-8035 Fax

Balliew Insurance Agency, Inc.
8140 N. Mopac, Bldg. 1, Ste. 100
Austin, TX 78759
512-454-9500 • 512-454-9502 Fax

Barbour Group, LLC
20 Liberty St., Ste. 2D
Westminster, MD 21157
410-876-9610 • 410-876-9954 Fax

Boley-Featherston-Huffman & Deal Company
701 Lamar St.
Wichita Falls, TX 76301
800-234-1167 • 940-766-1620 Fax

Bondaxis Group, Inc.
3555 Timmons Ln., Ste. 1275
Houston, TX 77072
713-490-5440 • 713-490-5449 Fax

Bonds Southeast, Inc.
1030 17th Ave. S.
Nashville, TN 37212
615-321-9700 • 615-321-9702 Fax

Bowen, Miclette & Britt Insurance Agency, LLC
1111 North Loop W., Ste. 400
Houston, TX 77008
713-802-6107 • 713-880-7166 Fax

CB Insurance, LLC
1 S. Nevada Ave., Ste. 105
Colorado Springs, CO 80903
719-477-4278 • 719-228-1071 Fax

CCI Surety, Inc.
1710 N. Douglas Dr., Ste. 110
Golden Valley, MN 55422
763-543-6993 • 763-546-1822 Fax

Capstone Brokerage, Inc.
8681 W. Sahara Ave., Ste. 100
Las Vegas, NV  89117
702-227-5727

Conbart Investment Co dba Connelly & Bartnesky Insurance
1209 E. Harrison
Harrington, TX 78550
956-425-8821 • 956-425-0894 Fax

Contractors Bonding & Insurance Company
2999 N. 44th St., Ste. 450
Phoenix, AZ 85018
602-956-6000
Surety Solutions Insurance Services  
3225 Monier Cir., Ste. 100  
Rancho Cordova, CA 95742  
916-737-5723

Surety Support Services Inc.  
7255 W. 98th Terrace, #170  
Overland Park, KS 66202  
913-385-7760 • 913-385-7699 Fax

Technical Assurance  
26623 Oak Ridge Dr.  
The Woodlands, TX 77380  
281-296-9997 • 281-296-9998 Fax

Tedford Insurance  
121 E. Main St.  
Jenks, OK 74037  
918-399-3545 • 918-299-5441 Fax

The Surety Group Agency, LLC  
3715 Northside Pkwy., Ste. 1-315  
Atlanta, GA 30327  
404-352-8221 • 404-351-3237 Fax

The Yancy Group, Inc.  
2019 E. Lamar Blvd., Ste. 100  
Arlington, TX 76006  
817-277-6100 • 817-277-7514 Fax

Time Insurance Agency, Inc.  
1405 E. Riversides Dr.  
Austin, TX 78741  
512-447-7773 • 512-440-0989 Fax

Tucker & Dunn Bond Agency  
16415 Addison Rd., Ste. 200  
Addison, TX 75001  
806-687-2663 • 806-687-4948 Fax

Viking Bond Service, Inc.  
22601 N. 19th Ave., Ste. 210  
Phoenix, AZ 85027  
623-518-2982

Watkins Insurance  
3834 Spicewood Springs, Ste. 100  
Austin, TX 78759  
512-452-8877 • 512-452-0999 Fax

Wells Fargo Insurance Services USA, Inc.  
5755 Mark Dabling Blvd., Ste. 300  
Colorado Springs, CO 80919  
719-592-1177

Willis of Texas, Inc.  
920 Memorial City Way, Ste. 500  
Houston, TX 77024  
713-961-3800

SMALL BUSINESS INVESTMENT COMPANY PROGRAM

The Small Business Investment Company (SBIC) program is a multi-billion dollar program founded in 1958, as one of many financial assistance programs available through the U.S. Small Business Administration. The structure of the program is unique in that SBICs are privately owned and managed investment funds, licensed and regulated by SBA, that use their own capital plus funds borrowed with an SBA guarantee to make equity and debt investments in qualifying small businesses. The funds raise private capital and can receive SBA-guaranteed leverage up to three times private capital, 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 U.S. Small Business Administration does not invest directly into small business through the SBIC Program, but provides funding through SBA guarantee debentures to qualified investment management firms with expertise in certain sectors or industries.

SBIC Licenses Located in Texas as of May 6, 2014

BA Capital Company, L.P.  
Doug Williamson, Sr. Vice President  
5207 McKinney Ave., Ste. 21  
Dallas, TX 75205  
214-508-0800 • 214-508-0985 Fax

Banc of America Capital Investors SBIC, L.P.  
5207 McKinney Ave., Ste. 21  
Dallas, TX 75205

Blue Sage Capital, L.P.  
Peter Huff, Contact  
114 W. 7th St., Ste. 820  
Austin, TX 78701  
512-536-1900 • 512-236-9215 Fax

Blue Sage Capital II, L.P.  
Peter Huff, Contact  
114 W. 7th St., Ste. 820  
Austin, TX 78701  
512-536-1900 • 512-236-9215 Fax

C3 Capital Partners II, L.P.  
2100 McKinney Ave., Ste. 1550  
Dallas, TX 75201  
214-292-2000 • 214-292-2007 Fax

Capital Southwest Venture Corp.  
Gary Martin, President  
12900 Preston Rd., Ste. 700  
Dallas, TX 75230  
972-233-8242 • 972-233-7362 Fax

Dos Rios Partners – A, L.P.  
Pat Mc Kinney Baskin, Jr.  
205 Wild Basin Rd. S.  
Bldg. 3, Ste. 100  
Austin, TX 78746  
512-298-0801 • 512-298-0810 Fax

Dos Rios Partners, L.P.  
Pat McKinney Baskin, Jr.  
205 Wild Basin Rd. S.  
Bldg. 3, Ste. 100  
Austin, TX 78746  
512-298-0801 • 512-298-0810 Fax

Escalate Capital Partners SBIC I, L.P.  
Tony Schell, Contact  
300 W. 6th St., Ste. 2300  
Austin, TX 78701  
512-651-2105 • 512-651-2101 Fax

Independent Bankers Capital Fund II, L.P.  
Tom Hoyt, Contact  
1700 Pacific Ave., Ste. 2740  
Dallas, TX 75201  
214-722-6200 • 214-722-6220 Fax

Independent Bankers Capital Fund, L.P.  
Barry Conrad and Tom Hoyt, Contacts  
1700 Pacific Ave., Ste. 2740  
Dallas, TX 75201  
214-722-6200 • 214-722-6220 Fax

LiveOak Venture Partners IA, L.P.  
Venu Shamapant  
805 Las Cimas Pkwy., Ste. 125  
Austin, TX 78746  
512-413-5886 • 512-900-7977 Fax

Main Street Capital II, LP  
Todd Reppert, Contact  
1300 Post Oak Blvd., Ste. 800  
Houston, TX 77006  
713-350-6029 • 713-350-6042 Fax

Main Street Mezzanine Fund, L.P.  
Todd A. Reppert, Contact  
1300 Post Oak Blvd., Ste. 800  
Houston, TX 77006  
713-350-6029 • 713-350-6042 Fax

Parallel Investment Opportunity Partners II L.P.  
Andrei Dorembaum, Contact  
1000 Main St., Ste. 2500  
Houston, TX 77002  
713-209-7365 • 713-209-7351 Fax

PMC Investment Corporation (SSBIC)  
Lance B. Rosemore, President  
19750 Preston Rd., Ste. 600  
Dallas, TX 75252  
972-349-3200 • 972-349-3265 Fax

SunTx Fulcrum Fund II – SBIC, L.P.  
Ned N. Fleming, Contact  
Two Lincoln Centre  
5420 LBJ Frwy., Ste. 1000  
Dallas, TX 75240  
972-661-8901 • 972-666-1981 Fax

Toronto Dominion Capital (U.S.A.), Inc.  
Martha L. Gariepy, Contact  
909 Fannin, Ste. 1950  
Houston, TX 77019  
214-292-2000 • 214-292-2007 Fax

Valesco Commerce Street Capital, L.P.  
Daniel H. Moore, Contact  
325 N. St. Paul, Ste. 3200  
Dallas, TX 75201  
972-663-8900 • 972-661-9981 Fax

Visit us online: www.sba.gov/tx/sanantonio
THE SMALL BUSINESS INNOVATION RESEARCH PROGRAM

The Small Business Innovation Research (SBIR) program is a highly competitive program that encourages domestic small businesses to engage in Federal Research/Research and Development (R/R&D) that has the potential for commercialization. Through a competitive awards-based program, SBIR enables small businesses to explore their technological potential and provides the incentive to profit from its commercialization. By including qualified small businesses in the nation’s R&D arena, high-tech innovation is stimulated and the United States gains entrepreneurial spirit as it meets its specific research and development needs.

SBIR Program Eligibility

Only United States small businesses are eligible to participate in the SBIR program. An SBIR awardee must meet the following criteria at the time of Phase I and II awards:

1. Organized for profit, with a place of business located in the United States;
2. More than 50 percent owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States, or by another for-profit business concern that is more than 50% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States; and
3. No more than 500 employees, including affiliates;
4. For awards from agencies using the authority under 15 U.S.C. 638(dd) (1), an awardee may be owned and controlled by more than one VC, hedge fund, or private equity firm so long as no one such firm owns a majority of the stock.
5. Phase I awardees with multiple prior awards must meet the benchmark requirements for progress toward commercialization.

SBIR-Participating Agencies

- Department of Agriculture
- Department of Commerce - National Institute of Standards and Technology
- Department of Commerce - National Oceanic and Atmospheric Administration
- Department of Defense
- Department of Education
- Department of Energy
- Department of Health and Human Services
- Department of Homeland Security
- Department of Transportation
- Environmental Protection Agency
- National Aeronautics and Space Administration
- National Science Foundation

For additional information visit www.sbir.gov.

SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

Small Business Technology Transfer (STTR) is another program that expands funding opportunities in the federal innovation research and development (R&D) arena. Central to the program is expansion of the public/private sector partnership to include the joint venture opportunities for small businesses and nonprofit research institutions. The unique feature of the STTR program is the requirement for the small business to formally collaborate with a research institution in Phase I and Phase II. STTR's most important role is to bridge the gap between performance of basic science and commercialization of resulting innovations.

STTR Program Eligibility

Only United States small businesses are eligible to participate in the STTR program. The small business must meet all of the following criteria at time of award:

- Organized for profit, with a place of business located in the United States;
- At least 51 percent owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States, and;
- No more than 500 employees, including affiliates.

The nonprofit research institution must also meet certain eligibility criteria.

STTR-Participating Agencies

- National Science Foundation
- National Aeronautics and Space Administration
- Environmental Protection Agency
- Department of Transportation
- Department of Homeland Security
- Department of Health and Human Services
- Department of Energy
- Department of Defense
- Department of Commerce - National Oceanic and Atmospheric Administration
- National Institute of Standards and Technology
- Federally funded R&D center (FFRDC)

STTR differs from SBIR in three important aspects:

1. The SBC and its partnering institution are required to establish an intellectual property agreement detailing the allocation of intellectual property rights and rights to carry out follow-on research, development or commercialization activities.
2. STTR requires that the SBC perform at least 40% of the R&D and the single partnering research institution to perform at least 30% of the R&D.
3. Unlike the SBIR program, STTR does not require the Principal Investigator to be primarily employed by the SBC.

STTR-Participating Agencies

Each year, Federal agencies with extramural research and development (R&D) budgets that exceed $1 billion are required to reserve 0.3% of the extramural research and development (R&D) budgets for STTR awards to small businesses. These agencies designate R&D topics and accept proposals. Currently, five agencies participate in the STTR program:

- National Science Foundation
- National Aeronautics and Space Administration
- Environmental Protection Agency
- Department of Transportation
- Department of Homeland Security

For additional information visit www.sbir.gov.
The old adage “time is money” is perhaps one of the most pertinent statements that you can apply to small business owners. Whether you’re starting a business or managing a growing one, entrepreneurs and business owners wear many hats and have many questions:

- What laws and regulations apply to my business?
- How do I start to write a business plan?
- Where can I get help with X, Y and Z?

Many of us invariably turn to our networks and the Internet to find answers. But how can you trust that the information you are getting is truly applicable to your business and, let’s face it, even accurate?

As part of its mission to help business owners start, succeed and grow, SBA, through the SBA.gov website has developed numerous online tools and guides to help small businesses get information and answers they need quickly and efficiently. For example, these 10 Steps to Starting a Business and these 10 Steps to Hiring your First Employee guides are essential reading. Then there are the Licenses and Permits Search Tool and the Loans and Grants Search Tool.

New Online Tools to Help Business Owners Plan, Manage and Grow

Over the past couple of months, the SBA has expanded its capacity and selection of tools and information that business owners need by developing a whole range of new online features! Check them out:

1. Get to Know Your Market and Competition Better with the SizeUp Tool

Want to know how your business stacks up against the competition? Where your potential competitors are located? Where the best places are to advertise your business? These are all critical inputs for your business plan and can also help back up any financing applications.

Now with the new SizeUp tool you can crunch millions of data points and get customizable reports and statistics about your business and its competition. Just enter your industry, city, state and other details. SizeUp then runs various reports and provides maps and data related to your competition, suppliers and customers. It also highlights potential advertising opportunities.

2. Build a Business Plan Tool

Business planning can seem a daunting task, but it doesn’t have to be that way. To help you plan and steer your business, this new “Build a Business Plan” tool guides you through the process of creating a basic, downloadable business plan. The great thing about it is you can build a plan in smaller chunks of time, save your progress and return at your leisure.

To use the tool, simply log into SBA.gov and enter information into a template for each section of the business plan including, market analysis, company description and financial projections. The tool is secure and confidential and will keep your plan on record for up to six months. You can also save, download or email the plan at any time.

3. Size Standards Tool - Find Out Fast if You Qualify for Government Contracts

In order to be eligible to sell to the government and compete for small business “set-aside” contracts, business owners had to rummage through various rules and matrices to find out if their business is truly “small” according to SBA size standards. Now, with this new Size Standards Tool, you can follow three simple steps to cut through the guesswork and quickly find out if you qualify for government contracting opportunities. SBA also offers other resources including government contracting training courses, and guides to help you register as a contractor.

4. Events Calendar - Locate Business Training and Seminars

SBA and its partners, including Small Business Development Centers, Women’s Business Centers, and SCORE, hold hundreds of small business training seminars and workshops across the country. Until now, there was no single repository for these events. Now, with SBA’s Events Calendar, you can quickly find and sign up for training. Enter a date range and/or zip code to locate events in your area. Results are filtered by topic such as “starting a business,” “managing a business,” “business planning,” and “financing a business.”
## SBA Loan Programs for Businesses

### Ways Borrowers Can Use The Money

(Information current as of 2/25/2014)

<table>
<thead>
<tr>
<th>Program</th>
<th>Who Qualifies</th>
<th>Use of Proceeds</th>
<th>Maturity</th>
<th>Maximum Loan Amount</th>
<th>Structure</th>
<th>Benefit to Borrower</th>
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<tbody>
<tr>
<td>Basic 7(a)</td>
<td>For-profit businesses that can meet SBA's size standards, nature of business, use of proceeds, credit elsewhere, and other miscellaneous eligibility factors.</td>
<td>Acquire land; purchase existing building; convert, expand or renovate buildings; construct new buildings; acquire and install fixed assets; acquire inventory; purchase supplies and raw materials; purchase a business, start a business, leasehold improvements, term working capital; and under certain conditions to refinance certain outstanding debts.</td>
<td>Based on the use of proceeds and borrower’s ability to repay. Not based on collateral. Maximum maturity: 10 years for working capital (seven years is common), 10 years for fixed assets, 25 years for real estate.</td>
<td>A basic 7(a) can be for as much as $5 million. SBA's limit to any one business is $3.75 million so a business can have multiple loans guaranteed by SBA but the SBA portion cannot exceed $3.75 million.</td>
<td>Term loans with one monthly payment of principal and interest (P&amp;I). Borrower contribution required. Interest rate depends upon how lender applies for guaranty (see lender program chart). Cannot revolve, no balloon or call provisions.</td>
<td>Obtains financing not otherwise available, fixed maturity, available when collateral is limited. Can establish or re-affirm relationship with lender.</td>
</tr>
<tr>
<td>International Trade Loan</td>
<td>Same as basic 7(a). Plus, business must be engaged or preparing to engage in exporting or be adversely affected by competition from imports.</td>
<td>Acquire, renovate, modernize facilities or equipment used in making products or services to be exported. Plus, for permanent working capital and to refinance business debts currently on unreasonable terms.</td>
<td>Same as basic 7(a). Same as basic 7(a). Same as basic 7(a).</td>
<td>Same as basic 7(a). Same as basic 7(a). Same as basic 7(a).</td>
<td>Same as basic 7(a). Same as basic 7(a). Same as basic 7(a).</td>
<td>Same as basic 7(a). Plus, long-term financing for export related fixed assets and working capital.</td>
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<td>Export Working Capital</td>
<td>Same as basic 7(a). Plus, must be in business one year and engaged or preparing to engage in exporting.</td>
<td>Short-term working capital for export purposes, including ability to support an Export Stand-By Letter of Credit.</td>
<td>Can be up to a maximum of 36 months but generally 12 months or less.</td>
<td>Same as basic 7(a).</td>
<td>Same as basic working capital.</td>
<td>Finance single or multiple transactions. Interest paid monthly, principal paid as payments from items shipped overseas are collected. Can be renewed annually. Extra fees apply. Percentage of guaranty up to 90%. Generally revolving.</td>
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<td>Loans (EWCP)</td>
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<td>Seasonal CAPlines</td>
<td>Same as basic 7(a). Plus, in business for at least one year and can demonstrate seasonal financing needs.</td>
<td>To finance the seasonal increases of accounts receivable, inventory and labor.</td>
<td>10 years</td>
<td>Same as basic 7(a).</td>
<td>Short-term financing for seasonal activities to be repaid at the end of the season when payment for the seasonal activity is made to business.</td>
<td>Provides opportunity for seasonal businesses to get seasonal financing not otherwise available.</td>
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<tr>
<td>Contract CAPlines</td>
<td>Same as basic 7(a). Plus, will perform on contract or purchase order for some third party buyer.</td>
<td>To finance the cost of one or more specific contract, sub-contract, or purchase order, including overhead or general and administrative expenses, allocable to the specific contract(s).</td>
<td>10 years</td>
<td>Same as basic 7(a).</td>
<td>Short-term financing for performance of approved contract, sub-contract, or purchase order to be repaid when payment for the activity is made to business. Can be revolving or not.</td>
<td>Provides opportunity for contractors and sub-contractors to get financing not otherwise available.</td>
</tr>
<tr>
<td>Program</td>
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<tr>
<td>Builders CAPlines</td>
<td>Same as basic 7(a). Plus, building/renovating residential or commercial structure for re-sale without knowing buyer at time of approval.</td>
<td>For the direct expenses related to the construction and/or “substantial” renovation costs of specific residential or commercial buildings for resale, including labor, supplies, materials, equipment rental, direct fees. The cost of land is potentially eligible.</td>
<td>Maximum of three years to disburse and build or renovate. Extension possible to accommodate sale.</td>
<td>Same as basic 7(a).</td>
<td>Short-term financing to build or renovate home or building for sale to unknown third party. “Substantial” means rehabilitation expenses of more than one-third of the purchase price or fair market value at the time of application. Can be revolving or not.</td>
<td>Provides opportunity for residential and commercial builders to get financing not otherwise available.</td>
</tr>
<tr>
<td>Working Capital CAPlines</td>
<td>Same as basic 7(a). Plus, business needing short term revolving line of credit.</td>
<td>For short-term working capital and operating needs. Proceeds must not be used to pay delinquent withholding taxes or similar trust funds (state sales taxes, etc.) or for floor planning.</td>
<td>10 years</td>
<td>Same as basic 7(a).</td>
<td>Lender has latitude with structuring principal payments. Borrower should discuss with lender. Must be revolving. Extra fees apply.</td>
<td>Provides opportunity for businesses that sell on credit to get revolving financing not otherwise available.</td>
</tr>
<tr>
<td>Lender Structured Line of Credit</td>
<td>Businesses needing a line of credit.</td>
<td>Working capital</td>
<td>If revolving, seven-year maximum, including term out period.</td>
<td>Depends upon how the lender chooses to apply for an SBA Guaranty. Generally up to $350,000.</td>
<td>Structure is established by individual lender.</td>
<td>Has availability for a line of credit to help with the short-term cash needs of the business.</td>
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<tr>
<th>Non-7(a) Programs</th>
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<tr>
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<tbody>
<tr>
<td>504 Loan Program</td>
<td>Businesses that can meet the SBA's size standards, nature of business, use of proceeds, credit elsewhere, and other miscellaneous factors.</td>
<td>For the acquisition of long-term fixed assets, equipment with a useful life of at least 10 years; refinance loan-term fixed asset debt under certain conditions; working capital under certain conditions; to reduce energy consumption; and to upgrade renewable energy sources.</td>
<td>Based on the use of proceeds. Twenty years for real estate. Ten years for machinery and equipment.</td>
<td>Based on the use of proceeds. Twenty years for real estate. Ten years for machinery and equipment.</td>
<td>Loans packaged by Certified Development Companies (CDC) and designed to finance up to 40 percent of a “project,” secured with a 2nd position lien. Another loan from a third party lender financing up to 50 percent of the same project secured in 1st position, and borrower contribution of at least 10 percent. Extra contributions for special purpose properties and new businesses.</td>
<td>Fees under 3 percent, long-term fixed rate, low borrower contribution, full amortization with no call or balloon conditions.</td>
</tr>
<tr>
<td>Microloan Program</td>
<td>Similar to basic 7(a). Plus, start-up nonprofit child-care businesses.</td>
<td>Similar to basic 7(a). Plus, funds to establish nonprofit child-care centers.</td>
<td>Shortest term possible, not to exceed six years.</td>
<td>$50,000 to the small business at any given time.</td>
<td>The SBA provides a loan to a nonprofit micro-lender called an “intermediary” who uses the proceeds to make microloans to small businesses. Technical assistance can also be provided.</td>
<td>Direct loan from nonprofit intermediary lender, fixed-rate financing, can be very small loan amounts, and technical assistance is available.</td>
</tr>
</tbody>
</table>

1 “Project” is the purchase or lease, and/or improvement or renovation of long term fixed assets by a small business, with 504 financing, for use in its business operations.

All SBA programs and services are extended to the public on a nondiscriminatory basis.
The chart below explains the rules for lenders for various SBA-backed loans to borrowers.

<table>
<thead>
<tr>
<th>Processing Program</th>
<th>Which Lenders Qualify</th>
<th>Types of Use of Proceeds Loans that can be Guaranteed</th>
<th>Maximum Allowable Interest Rates</th>
<th>Eligibility Analysis</th>
<th>Credit Analysis</th>
<th>Maximum Loan Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Processing</td>
<td>Lenders that have an executed participation agreement with the SBA.</td>
<td>Basic 7(a). International trade, export working capital, all CAPlines, dealer floor plan.</td>
<td>Base rate is Wall Street Journal prime, LIBOR* one month rate plus 3 percent, or SBA Peg rate. Plus, an allowable spread from 2.25 to 2.75 percent based on term. Lender can add 2 percent if loan is $25,000 or less, and 1 percent if $25,001 to $50,000. Can be fixed or variable.</td>
<td>Lender completes eligibility questionnaire and SBA reviews eligibility during loan processing.</td>
<td>Lender to cover all aspects of prudent credit analysis with emphasis on applicant’s ability to repay loan from operation. SBA conducts analysis of lender’s work.</td>
<td>Maximum loan $5 million. Loans up to $150,000 guaranteed up to 85 percent; loans over $150,000 guaranteed up to 75 percent. Business with multiple SBA loans may get some variations.</td>
</tr>
<tr>
<td>Preferred Lender Program (PLP) Processing</td>
<td>Same as Standard 7(a). Plus, an executed PLP agreement.</td>
<td>Same as Standard processing except restrictions on loans involving some types of debt refinancing.</td>
<td>Same as Standard 7(a).</td>
<td>Lender completes Eligibility Checklist (SBA Form 7).</td>
<td>Delegated to lender.</td>
<td>Maximum loan $5 million. Guaranty percentage same as Standard 7(a).</td>
</tr>
<tr>
<td>SBA Express Processing</td>
<td>Same as Standard 7(a). Plus, an executed SBA Express agreement.</td>
<td>Basic 7(a) with restrictions on some types of debt refinancing. Plus, lender structured term and revolving loans.</td>
<td>If $50,000 or less, cannot exceed prime + 6.5 percent. If over $50,000, cannot exceed prime + 4.5 percent. Prime may be lender prime.</td>
<td>Lender completes SBA Form 1920SX (Part C) “Eligibility Information.”</td>
<td>Delegated to lender.</td>
<td>Maximum loan $350,000. Guaranty percentage 50 percent.</td>
</tr>
<tr>
<td>Export Express Processing</td>
<td>Same as Standard 7(a). Plus, an executed Export Express Agreement.</td>
<td>Similar to export working capital loans and international trade loans which meet export related eligibility criteria.</td>
<td>If $50,000 or less, cannot exceed prime + 6.5 percent. If over $50,000, cannot exceed prime + 4.5 percent. Prime may be lender prime.</td>
<td>Lender completes SBA Form 1920SX (Part C) “Eligibility Information.”</td>
<td>Delegated to lender.</td>
<td>Maximum loan $500,000. Guaranty percentage same as Standard 7(a).</td>
</tr>
<tr>
<td>Community Advantage</td>
<td>Same as Standard 7(a). Plus, an executed Community Advantage Agreement.</td>
<td>Basic 7(a) except restrictions on some types of refinancing.</td>
<td>Prime plus 6 percent.</td>
<td>Non-Delegated Lenders complete SBA Form 2301 (Part C). Delegated Lenders complete SBA Form 2301 (Part D).</td>
<td>Similar to Standard 7(a) except credit factors to consider are more defined.</td>
<td>Maximum loan $250,000. Guaranty percentage same as Standard 7(a).</td>
</tr>
</tbody>
</table>

* London InterBank Offered Rate

All SBA programs and services are extended to the public on a nondiscriminatory basis.
As you’ve likely read the Counseling Section of this resource guide, you already know that SBA couldn’t serve every aspiring entrepreneur and small business owner without the assistance of our resource partners. With approximately 86 SBA District and Branch Offices throughout the country and its territories, our vast network of resource partners expands our outreach capacity twentyfold. In fiscal year 2013, those efforts helped small businesses get more than $4.5 billion in capital infusion, start over 15,000 new companies, and create and/or save more than 68,000 jobs.

SBA’s resource partner network is comprised of SCORE, Small Business Development Centers (SBDC) and Women Business Centers (WBC). In addition, 16 organizations serve as Veterans Business Outreach Centers through cooperative agreements with SBA’s Office of Veterans Business Development. Although each resource partner operates differently, they are all available to assist you with your small business and entrepreneurship needs. Some resource partners have specific areas of expertise or cater to certain audiences, but all provide outstanding individual consulting, training, counseling and entrepreneurial education.

We all need different things at different points in our lives, and so, too, it is with a small business. This is why many of the small business success stories we profile are “repeat customers” of SBA and our resource partner network. They may work with an SBDC for a business plan during their start up, attend a training course or educational series at a WBC, and seek mentorship assistance from a retired business owner at SCORE many years later. At any point in between, they may have worked with their local SBA district office or resource partner to apply for an SBA-guaranteed loan or a small business government contracting program. Each small business owner has his or her small business journey, and SBA and its resource partners are available to help along the way.

Take the story of Janell’s Gluten-Free Market in Everett, Washington, for example. Instead of jumping head first into the business without any prior experience, business owner Janell Farnsworth reached out to the Washington WBC and the Veterans Business Outreach Center (VBOC) in Seattle. These two SBA resource partners are co-located, which made it easy for Farnsworth to go back and forth between the two, depending on her immediate need. After receiving free counseling and low-cost classes to help her target her efforts in getting the market up and running, the 1,200 square-foot shop opened its doors in 2009. Earning top-line revenue and profits each successive year, Farnsworth considered opening a second location and reached out again to the WBC, who helped her develop a business expansion plan. She then attended classes at both the WBC and VBOC to learn about such issues as managing employees, pricing to drive revenue, the benefits of trademarking, and changing a business structure from sole proprietorship to LLC/Corp. Her second location opened in December, 2013.

Janell’s Gluten-Free Market serves a community of shoppers who otherwise would have little or no available alternatives. When Farnsworth encourages other entrepreneurs to take advantage of SBA’s resources, the Army captain with 20 years of service emphasizes the value of the classes offered by the SBA and its resource partners, which guided her business decisions and helped her to develop a well-grounded business plan.

In closing, we would like to take a moment to recognize a major milestone for one of our resource partners. This year, SCORE celebrates its 50th anniversary. Since 1964, SCORE volunteers have provided mentoring and training support to more than 10 million entrepreneurs and small business owners. That’s a number to be proud of, and SBA salutes SCORE and its mentors for their significant support and contributions to the success of this nation’s entrepreneurs.

To find the location of your nearest SBA District Office, SCORE, SBDC, or WBC, visit www.sba.gov/tools/local-assistance.
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 Small Business Administration works with agencies to award at least 23 percent of all prime government contracts to small businesses, with specific statutory goals for small business, small disadvantaged businesses (SDB), businesses that are women-owned (WOSB) or service-disabled veteran-owned (SDVOSB), and businesses that are located in historically underutilized business zones (HUBZone firms).

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 provides outreach programs, matchmaking events, and online training opportunities; and helps agencies identify contracting opportunities for small businesses.

**HOW GOVERNMENT CONTRACTING WORKS**

**Sealed bidding vs. Negotiation**

There are two contracting methods the government uses to purchase goods and services, sealed bidding and negotiation. The first method, sealed bidding, involves the issuance of an invitation for bid by a procuring agency. Under the sealed bidding method, a contract is awarded to a responsible bidder whose bid conforms to the requirements of a solicitation (Invitation for Bids (IFB)) that will be most advantageous to the government, considering only price and the price-related factors included in the IFB. The second method, negotiation, involves issuing a request for proposal (RFP) or request for quotation (RFQ). The business with the best proposal in terms of technical content, best value, price and other factors generally wins the contract.

**Types of Contracts**

- Firm fixed-price contracts place the full 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. It provides maximum incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden upon the contracting parties. 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 commonly used in research and development contracts.

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. This includes HUBZone Certified small businesses, SBA 8(a) Certified small businesses, Service-Disabled
Veteran-Owned small businesses and Economically Disadvantaged/Women-Owned small businesses in specific industries. 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 prices, quality and delivery. Second, if an acquisition for goods or services is estimated at more than $150,000, and it is determined that offers will be obtained from two or more responsible small businesses, at a fair market price, the acquisition is reserved exclusively for small business participation. 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 Research and Development (R&D) small business set-asides, there must be reasonable expectation of obtaining from small businesses the best scientific and technological sources consistent with the requirements of the proposed acquisition. For small business set-asides other than for services or construction services, any business proposing to furnish a product that it did not manufacture must furnish the product of a small business manufacturer unless the SBA has granted either a waiver or exception to this requirement, referred to as the Non-manufacturer rule. 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 dealers or distributors to provide any domestic firm’s product.

**Subcontracting**

Subcontracting opportunities are a great resource for small businesses, especially for 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 that for contracts offering subcontracting opportunities over $650,000 for goods and services, or $1.5 million for construction must offer the maximum practicable subcontracting opportunities to small businesses.

In addition, potential large business prime contractors must submit a subcontracting plan with their proposal describing how they will successfully maximize subcontracting opportunities to small businesses.

To find subcontracting opportunities, a list of federal prime solicitations is listed under the U.S. Small Business Administration Subcontracting Network (SUBNET) www.sba.gov/subnet/search/index.cfm and through the General Services Administration (GSA) at www.gsa.gov. Research the list of prime contractors and determine which are best suited to your business. Develop a marketing strategy, and then contact the Small Business Liaison Officer (SBLO) listed for each prime to schedule an appointment.

**SBA CONTRACTING PROGRAMS**

**HUBZONE**

The Historically Underutilized Business Zones (HUBZone) program helps small businesses located in distressed urban and rural communities 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 goal that HUBZone small business concerns be awarded not less than 3 percent of the total value of all prime contract and subcontract 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 (except those that are tribally-owned) must meet the following criteria:

- 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 (CDC), an agricultural cooperative, or an Indian tribe
- Its principal office must be located within a “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.

**Note:** Different rules apply for Tribal Governments, Alaska Native Corporations, Community Development Corporations and small agricultural cooperatives. These are delineated in Title 13 of the Code of Federal Regulations, Part 126.

Existing businesses that choose to move to qualified areas are eligible to apply for certification provided they meet all the eligibility requirements. 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.

**The 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.

**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 to develop and grow their businesses. Business development assistance includes one-on-one counseling, training workshops, match-making opportunities with federal buyers 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 the purpose of 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 U.S. citizens of good character;
- It must be controlled, managed, and operated full-time 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) and have the capacity to perform on government and non-government contracts 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 to coordinate the firm’s business development assistance. **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;

• Providing technical guidance and business development assistance during the nine-year term.

For additional information, visit [www.sba.gov/8a](http://www.sba.gov/8a).

**PROCUREMENT TECHNICAL ASSISTANCE CENTERS (PTACs)**

Doing business with the government is a big step to growing your business. Procurement Technical Assistance Centers (PTACs) provide local, in-person counseling and training services for you, the small business owner. They are designed to provide technical assistance to businesses that want to sell products and services to federal, state, and/or local governments. PTAC services are available either free of charge, or at a nominal cost. PTACs are part of the Procurement Technical Assistance Program, which is administered by the Defense Logistics Agency.

**What can a PTAC do for you?**

• Determine if your business is ready for government contracting.

Pursuing government contracts is a challenge, and can be burden for your company if you do not have the resources or maturity to handle a contract. A PTAC representative can sit with you one-on-one and determine if your company is ready, and how to position yourself for success.

• Help you register in the proper places. There are numerous databases to register with to get involved with the government marketplace, including the

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**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 North American Industry Classification code (NAICS). Every federal agency uses these codes when considering your business. To determine your NAICS code, go to [www.census.gov/eos/www/naics/](http://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](http://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 Regulation (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:
     - 23 percent of contracts for Small Businesses
     - 5 percent of contracts to Small Disadvantaged Businesses
     - 5 percent to Women-Owned Small Businesses
     - 3 percent to Service-Disabled Veteran-Owned Small Businesses
     - 3 percent 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.
Department of Defense’s System for Award Management (SAM), GSA Schedules, and other government vendor sites.
• See if you are eligible in any small business certifications. Some government contracts are set aside for certain businesses that have special certifications, such as woman-owned, minority-owned, and HUBZone. A PTAC representative can help you obtain these certifications, if you are eligible, allowing for more government contract opportunities.
• Research past contract opportunities. A PTAC representative can look into past contracts, to see what types of contracts have been awarded to businesses like yours.

In addition, a PTAC can help you identify and bid on a contract, and if you are awarded the contract, continue to provide you support through measuring your performance and helping with your contract audits. Don’t hesitate to find the PTAC near you today to get started in government contracting or to improve your success.

PROCUREMENT TECHNICAL ASSISTANCE CENTER (PTAC)
UTSA SBDC PTAC
215 S. San Saba, Ste. 1.100
San Antonio, TX 78207
210-458-2458
www.ptac.txsbdc.org

PROCUREMENT CENTER REPRESENTATIVE – SOUTH CENTRAL TEXAS
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alfredo.lagunas.1@us.af.mil

Activities Covered:
• 17th Contracting Squadron, Goodfellow AFB – San Angelo, TX
• 47th Contracting Squadron, Laughlin AFB – Del Rio, TX
• 502nd Contracting Squadron, Joint Base San Antonio – San Antonio, TX
• AF Intelligence, Reconnaissance and Surveillance Agency, JBSA Lackland – San Antonio, TX
• Air Education and Training Command, JBSA Randolph – San Antonio, TX
• Cryptologic Cyber Systems Division, JBSA Lackland – San Antonio, TX
• Enterprise Support Group, Port San Antonio – San Antonio, TX

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Activities Covered:
• 410 Contracting Support Brigade – The Americas, Fort Sam Houston – San Antonio, TX
• Center for Health Care Contracting, Fort Sam Houston – San Antonio, TX
• Mission and Installation Contracting Command, Fort Sam Houston – San Antonio, TX
• Southern Regional Contracting Office, Fort Sam Houston – San Antonio, TX
• U.S. Army Medical Command, Fort Sam Houston – San Antonio, TX

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 5% subcontracting goal for SDBs in their subcontracting plans which includes SBA 8(a) certified small businesses.

Firms self-certify as SDB in the federal data base called the System for Award Management (SAM) without submitting any application to the SBA; however, firms approved by the SBA into the 8(a) Business Development Program are automatically certified as an SDB. To self certify, firms should access the website: www.sba.gov/sdb. By reading the information contained therein you will be given guidance as to what steps are required.

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 SDVOSBs in their subcontracting plans. These subcontracting goals are reviewed at time of proposal by both the contracting officer and the SBA prior to the award of a contract.

While the SBA does not certify companies as SDVOSBs, SDVOSB protest process is administered by SBA to ensure that only businesses owned by service-disabled veterans receive contracts reserved exclusively for them. When a business’s SDVOSB self-certification is challenged, the SBA determines if the business meets the status, ownership and control requirements.

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/about-offices-content/1/2985.

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 (WOSB) Federal Contract Program authorizes contracting officers to set aside certain federal contracts for eligible women-owned businesses and economically disadvantaged women-owned small businesses (EDWOSB) in industries where it has be determined WOSBs and EDWOSBs are underrepresented.

To be eligible, a firm must be at least 51 percent owned or controlled by one or more women. The women must be U.S. citizens and the WOSB or EDWOSB must be “small” under its primary industry in accordance with SBA’s size standards established for under the North American Industry Classification code assigned to 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.

Protests under the WOSB Federal Contract Program are also administered by the SBA. When a company’s WOSB or economically disadvantaged WOSB self-certification is challenged, the SBA determines if the business meets ownership and control requirements. Large prime contractors must also establish a subcontracting goal for Woman-Owned Small Businesses in their Subcontracting Plans. These subcontracting goals are reviewed at time of proposal by both the contracting officer and the SBA prior to the award of a contract.
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 System for Award Management. Log on to www.sam.gov for more information 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. Visit www.census.gov/eos/www/naics/ to find NAICS codes.

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.osh.gov/pls/imis/sicsearch.html.

5. Register with the System for Award Management (SAM), formerly the Central Contractor Registration (CCR)
The SAM is an online federal government maintained database of companies wanting to do business with the federal government. Agencies search the database for prospective vendors. Register at www.sam.gov.

6. 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.

7. 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.

8. Search Federal Business Opportunities (FedBizOpps) for Contracting Opportunities
FedBizOpps, 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.

9. 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 (CoC) program allows a small business, which 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.
- Procurement Center Representatives (PCR) and Commercial Marketing Representatives (CMR): 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/content/procurement-center-representatives.
- 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.dla.mil/SmallBusiness/Pages/ptac.aspx.
- Department of Defense (The DoD is the largest purchaser of goods from small businesses):
  - www.acq.osd.mil/osbp/
- Office of Federal Procurement Policy:
  - www.whitehouse.gov/omb/procurement_default
- 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
OVER FIFTY PERCENT OF THE NATION’S SMALL BUSINESSES ARE HOME-BASED

Doesn’t that sound nice?
Start small.

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
The disaster program is SBA’s largest direct loan program, and the only SBA program for entities other than small businesses. SBA is responsible for providing affordable, timely and accessible financial assistance to homeowners, renters, non-farm businesses of all sizes and private, nonprofit organizations following declared disasters.

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

Physical Disaster Loans
Physical Disaster Loans are the primary source of funding for permanent rebuilding and replacement of uninsured or underinsured disaster-caused damages to privately-owned real and/or personal property. SBA’s physical disaster loans are available to homeowners, renters, businesses of all sizes and private nonprofit organizations of all sizes. A homeowner may apply for a loan of up to $200,000 to repair or replace the primary residence to its pre-disaster condition. Homeowners or renters may apply for a loan up to $40,000 to help repair or replace personal property, such as clothing, furniture or automobiles, lost in the disaster. Businesses and private, nonprofit organizations of any size may apply for a loan up to $2 million (actual loan amounts are based on the amount of uncompensated damage) to repair or replace real property, machinery, equipment, fixtures, inventory and leasehold improvements.

The SBA may increase a loan up to 20 percent of the total amount of physical damages as verified by SBA to make improvements that protect the property from similar future disasters.

Economic Injury Disaster Loans
Economic Injury Disaster Loans provide the necessary working capital after a declared disaster until normal operations resume. Small businesses, small agricultural cooperatives, small businesses engaged in aquaculture (fisheries, for example) and most private nonprofit organizations of all sizes are eligible for EIDL assistance, regardless of whether there was any physical damage. The loan limit is $2 million. The EIDL helps small businesses meet ordinary and necessary operating expenses as they recover from a disaster. The limit for physical and EIDL loans combined is $2 million.

The Military Reservists Economic Injury Disaster Loan is a working capital loan for small businesses facing financial loss when the owner or an essential employee is called up to active duty in their role as a military reservist. The loan limit is $2 million and the business can use the funds to cover operating expenses until the essential employee or business owner is released from active duty.

The SBA can only approve disaster loans to applicants having an acceptable credit history and repayment ability. The terms of each loan are established in accordance with each borrower’s ability to repay. The law gives SBA several powerful tools to make disaster loans affordable: low-interest rates (around 4 percent), long-terms (up to 30 years), and refinancing of prior liens (in some cases). As required by law, the interest rate for each loan is based on...
SBA’s determination of whether the applicant has credit available elsewhere — the ability to borrow or use their own resources to recover from the disaster without causing undue hardship.

More information on all of SBA’s disaster assistance programs, including information for military reservists, is available at www.sba.gov/disaster. Apply online using the Electronic Loan Application (ELA) via SBA’s secure Website at: https://disasterloan.sba.gov/ela.

Disaster Preparedness

Recovering from a disaster doesn’t begin with clearing the debris and returning to work. Imagine stepping into your store, or restaurant, or the office where you run your business, a day or two after the fire has been contained, the tornado has passed, or floodwaters have receded. First come the questions: “How much will it cost to rebuild? Will my insurance cover all this? How will I pay my employees and vendors and cover the bills during the recovery phase?” Before a disaster strikes is a good time to start, or update and test your business continuity plan.

And while SBA disaster loans go a long way toward revitalizing communities devastated by the economic fallout that follows disasters, with a solid preparedness plan in place, your business will be able to recover sooner, possibly without taking on new debt. Assessing your risks and needs are an important first step in developing your business continuity strategy. The American Red Cross’ Ready Rating™ program (www.readyrating.org) is a free online tool that helps businesses get prepared for disaster and other emergencies. With Ready Rating you can evaluate your level of disaster readiness, and you’ll get customized feedback on how to establish or expand your disaster plan.

Another useful site provided by FEMA — Ready.gov (www.ready.gov) — provides practical disaster preparedness tips and checklists for homeowners, renters and businesses. SBA has teamed up with Agility Recovery Solutions to offer business continuity strategies through the “PrepareMyBusiness” website (www.preparemybusiness.org) and monthly disaster planning webinars. Previous topics — presented by experts in their fields — have included crisis communications, testing the preparedness plan, and using social media to enhance small business recovery. At the website you can sign up for future webinars, view previous webinars, and download checklists that give you tips on risk assessment, evacuation plans and flood preparedness, that will help you develop a solid business continuity plan.

Meanwhile, here are a few preparedness tips to consider:

• Review Your Insurance Coverage. Contact your insurance agent to find out if your coverage is right for your business and make sure you understand the policy limits. Ask about Business Interruption Insurance, which compensates you for lost income and covers operating expenses if your company has to temporarily shut down after a disaster.

• Establish a solid supply chain. If all your vital external vendors and suppliers are local and if the disaster is significantly widespread, you’ll all be in the same boat, struggling to recover. It’s a good idea to diversify your list of vendors for key supplies to companies outside your area or internationally, if possible. Create a contact list for important contractors and vendors you plan to use in an emergency and find out if those suppliers have a recovery plan in place. Keep this list with other documents filed in a place that’s accessible, and also at a protected off-site location.

• Plan for an alternate location. Do some research well in advance of the disaster for several alternative places to relocate your company in the event a disaster forces you to shut down indefinitely. Some options include contacting a local real estate agent to get a list of available vacant office space. Make an agreement with a neighboring business to share office space if disaster strikes. If possible, make plans for employees to telecommute until the office has been rebuilt.

The financial and emotional cost of rebuilding a business after a disaster can be overwhelming. However, with a business continuity plan in place, you’ll be able to rebound and reopen quickly, and in a better position to contribute to the economic recovery of your community.

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.
ADVOCACY AND OMBUDSMAN
Watching Out for the Interests of Small Businesses

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. The advocacy office 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 businesses in the economy and the impact of government policies on small businesses. 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
The Office of the National Ombudsman (ONO) assists small businesses when they experience excessive or unfair Federal agency enforcement actions. As required under the Small Business Regulatory Enforcement Fairness Act, ONO works with all Federal regulatory agencies to ensure small businesses are provided with a means to comment on the enforcement actions conducted by such agencies. Enforcement actions include audits, on-site inspections, implementation or changes to regulations and other enforcement related activities by Federal agency personnel.

The National Ombudsman receives comments from small business owners, nonprofit organizations and small government entities regarding regulatory enforcement actions by Federal agencies. Comments received from small businesses are forwarded to Federal agencies for a high level review. Federal agencies are requested to consider the fairness of their enforcement action. In some cases, fines and/or penalties have been lowered or eliminated, and decisions and agency actions have been changed in favor of the small business owners. The National Ombudsman also coordinates and annually reports to Congress on the activities, findings and recommendations of 10 Regional Regulatory Fairness Boards that meet regularly to address comments about Federal regulations affecting small businesses.

To request help, complete and send the National Ombudsman Federal Agency Comment Form. The Comment Form and other information about the office may be obtained online at www.sba.gov/ombudsman; or call 888-734-3247.
Even if you are running a small home-based business, you will have to comply with many 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.

**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.

**FICTIONOUS BUSINESS NAME**

Search to determine if the name of your proposed business is already in use. If it is not used, register the name to protect your business. 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.

**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 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 insurance you need to ensure the continuation of your business and the level of insurance you need to replace or rebuild. You should 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 of 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 from 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.
FEDERAL SELF-EMPLOYMENT TAX

Every employee must pay Social Security and Medicare taxes. 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.

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 beentaxing your products and now owe back taxes to the state. For information on sales tax issues, contact your state 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 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.

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 at 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.

Success Story

Genesis Concepts & Consultants

Giving back to the community remains a longstanding and fundamental practice for GC&C. Three of the company’s corporate executives serve on a combined ten (10) boards within the greater San Antonio area. Gregory Hudson serves on the Board of Directors for the Healy Murphy Center, a non-profit organization that has been serving youth in San Antonio for over 120 years. The company works with at-risk youth where a mentoring program in collaboration with the Healy-Murphy Center provide one-on-one counseling, individual curriculum, childcare and health services to assist teens succeed in school and in life.

Gregory Hudson is committed to growing effective collaborative relationships with other small businesses. GC&C piloted the first San Antonio Military Medical Summit for small business integrating the SBA, Department of Defense and the Veterans Administration Small Business Specialists. Since 2008, GC&C has conducted three veteran Small Business Conferences integrating the SBA as a key participant.
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.

The Tax Calendar for Small Businesses and Self-Employed (Publication 1518) 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 number and 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 these government agencies for information, assistance and forms.

Social Security Administration
800–772–1213
www.ssa.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.

Federal Withholding
U.S. Internal Revenue Service
800–829–1040
www.irs.gov

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**


**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 Customer Support staff: 1-888-464-4218 Monday – Friday 8 a.m. – 5 p.m. E-mail: e-verify@dhs.gov

**SAFETY AND 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 provides information on the specific health and safety standards adopted by the U.S. Department of Labor. Call 1-800-321-6742 or visit www.osha.gov.
**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 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.

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

**Patents**

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

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

**U.S. Patent and Trademark Office**

800-786-9199 • www.uspto.gov

**Copyrights**

Copyrights protect original works of authorship including literary, dramatic, musical and artistic, and certain other intellectual works. Copyrights do 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

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**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 and limited liability companies.

Each structure offers unique tax and liability benefits. If you’re uncertain which business format is right for you, you may want to 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 of their investment, and liability is similarly limited in proportion to their investment.

**LLCs and LLPs**

The limited liability company or partnership 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.
OTHER SOURCES OF ASSISTANCE

Technical Assistance Providers

ACCIÒN TEXAS
2014 S. Hackberry
San Antonio, TX 78210
210-226-3664 • 210-533-2940 Fax

ANGELO STATE UNIVERSITY SBDC
69 N. Chadbourne St.
San Angelo, TX 76903
325-942-2098 • 325-942-2096 Fax

CEN-TEX CERTIFIED DEVELOPMENT CORPORATION DBA BCL OF TEXAS
2212 S. Congress Ave.
Austin, TX 78704
888-718-0180 or 512-912-9885

BUSINESS SUCCESS CENTER
7600 Burnet Rd., #130
Chase Bank Bldg.
Austin, TX 78757
512-933-1983 • 512-933-1984 Fax

STRATEGIES FOR SMALL BUSINESS
442 Diablo Rd., Ste. 137
Danville, CA 94526
925-889-8449 • 925-831-3217 Fax

TEXAS STATE UNIVERSITY SBDC
1555 University Blvd.
Round Rock, TX 78664
512-716-4800 • 512-716-4810 Fax

THE UNIVERSITY OF TEXAS SYSTEM BONDING & TECHNICAL ASSISTANCE PROGRAM
220 W. 7th St.
Austin, TX 78701
512-499-4377 • 512-494-3561 Fax

OTHER ASSISTANCE

Small Business Person of the Year – District and State Winner
Gregory R. Hudson, Owner/CEO
Genesis Concepts & Consultants

Financial Services Champion of the Year
Kristal Loyd, Business Development Officer
5th Gear Consulting

Young Entrepreneur of the Year
Tina Stolhandske, Owner & Founder
River City Run

Veteran Small Business Champion of the Year
Curtis G. Mohler, Sr. Business Advisor
UTSA SBDC Procurement Technical Assistance Center

Minority Business Champion of the Year
Tomas Larralde, Business Opportunity Manager
San Antonio Housing Authority

Women in Business Champion
Renee A. Watson, Program Manager
Bexar County SMWBE

Women’s Business Center
BiGAustin
Claudia Conner, Director

SBDC Excellence & Innovation Award (National Winner)
UTSA SBDC International Trade Center

SBDC State Star – Advisor of the Year & National ASBDC Star Performer Award
Lisa Barr, Certified Sr. Business Advisor
University of Houston–Victoria SBDC

SCORE – Counselors of the Year
Richard J. Rutkoski – San Antonio Chapter #164
Robert Cotter – Austin Chapter #249

7(a) Lender of the Year
Wells Fargo

504 Certified Development Company Award
Capital Certified Development Company
## SBA Participating Lenders

### Preferred Lenders

The following lenders have made SBA loans to businesses in the 55 county region in fiscal years 2013 and 2014 (through May 31, 2014):

<table>
<thead>
<tr>
<th>Lender</th>
<th>Address</th>
<th>Phone</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>COLUMBUS FIRST BANK</td>
<td>6877 N. High St, Worthington, OH 43085</td>
<td>614-701-2020</td>
<td><a href="http://www.columbusfirstbank.com">www.columbusfirstbank.com</a></td>
</tr>
<tr>
<td>COMMONWEALTH BUSINESS BANK</td>
<td>5055 Wilshire Blvd., Ste. 100, Los Angeles, CA 90036</td>
<td>323-998-3000</td>
<td><a href="http://www.commonwealthbank.com">www.commonwealthbank.com</a></td>
</tr>
<tr>
<td>CONESTOGA BANK</td>
<td>165 Pottstown Pike, Chester Springs, PA 19425</td>
<td>610-321-6800</td>
<td><a href="http://www.conestogabank.com">www.conestogabank.com</a></td>
</tr>
<tr>
<td>FIRST COMMUNITY BANK NATIONAL ASSOCIATION</td>
<td>13155 Daisy Ashford, Ste. 250, Sugarland, TX 77478</td>
<td>936-594-7575</td>
<td><a href="http://www.firstcommunitybank.net">www.firstcommunitybank.net</a></td>
</tr>
<tr>
<td>FIRST STATE BANK</td>
<td>115 W. Washington Ave., Union City, TX 78261</td>
<td>713-158-8800</td>
<td><a href="http://www.firststatebank.com">www.firststatebank.com</a></td>
</tr>
<tr>
<td>FROST BANK</td>
<td>100 W. Houston, San Antonio, TX 78205</td>
<td>210-220-4893</td>
<td><a href="http://www.frostbank.com">www.frostbank.com</a></td>
</tr>
<tr>
<td>GRAND BANK OF TEXAS</td>
<td>2341 S. Beltline Rd., Grand Prairie, TX 75051</td>
<td>972-264-4811</td>
<td><a href="http://www.grandbankoftexas.com">www.grandbankoftexas.com</a></td>
</tr>
<tr>
<td>GREEN BANK NATIONAL ASSOCIATION</td>
<td>1717 W. 6th St., Ste. 110, Austin, TX 78703</td>
<td>512-617-8885</td>
<td><a href="http://www.greenbank.com">www.greenbank.com</a></td>
</tr>
<tr>
<td>HORIZON BANK, SSB</td>
<td>600 Congress, Ste. 6-260, Austin, TX 78701</td>
<td>512-637-5730</td>
<td><a href="http://www.horizonbanktexas.com">www.horizonbanktexas.com</a></td>
</tr>
<tr>
<td>INTEGRITY BANK, SSB</td>
<td>4040 Washington Ave., Houston, TX 77007</td>
<td>713-335-8730</td>
<td><a href="http://www.integritybank.com">www.integritybank.com</a></td>
</tr>
<tr>
<td>JPMORGAN CHASE BANK, N.A.</td>
<td>1020 NE. Loop 410, San Antonio, TX 78209</td>
<td>210-829-8189</td>
<td><a href="http://www.jpmorganchase.com">www.jpmorganchase.com</a></td>
</tr>
<tr>
<td>LIVE OAK BANKING COMPANY</td>
<td>2065 Iron Gate Dr., Ste. 100, Wilmington, NC 28412</td>
<td>910-793-5867</td>
<td><a href="http://www.liveoakbank.com">www.liveoakbank.com</a></td>
</tr>
<tr>
<td>LUBBOCK NATIONAL BANK</td>
<td>4811 50th St., Lubbock, TX 79514</td>
<td>806-792-1000</td>
<td><a href="http://www.lubbocknational.com">www.lubbocknational.com</a></td>
</tr>
<tr>
<td>MEADOWS BANK</td>
<td>1777 N. Loop 410, Ste. 600, San Antonio, TX 78217</td>
<td>210-820-2650</td>
<td><a href="http://www.meadowsbank.com">www.meadowsbank.com</a></td>
</tr>
<tr>
<td>NEWTIER SMALL BUSINESS FINANCE, INC.</td>
<td>100 N. Union St., Ste. 720, Montgomery, AL 36104</td>
<td>800-459-4379 ext. 206</td>
<td><a href="http://www.newtiersmallbusiness.com">www.newtiersmallbusiness.com</a></td>
</tr>
<tr>
<td>NOAH BANK</td>
<td>449 Broad Ave., Palisades Park, NJ 07650</td>
<td>201-585-8006</td>
<td><a href="http://www.nahbank.com">www.nahbank.com</a></td>
</tr>
<tr>
<td>PACIFIC PREMIER BANK</td>
<td>17301 Von Karman Ave., Ste. 1200, Irvine, CA 92614</td>
<td>714-431-4000</td>
<td><a href="http://www.pacificpremierbank.com">www.pacificpremierbank.com</a></td>
</tr>
<tr>
<td>PACIFIC WESTERN BANK</td>
<td>10360 Constellation Blvd., Los Angeles, CA 90067</td>
<td>619-744-7200</td>
<td><a href="http://www.pacificwesternbank.com">www.pacificwesternbank.com</a></td>
</tr>
<tr>
<td>PLAINSCAPITAL BANK</td>
<td>12319 N. Moapac, Unit A, Austin, TX 78758</td>
<td>512-310-4228</td>
<td><a href="http://www.plainscapital.com">www.plainscapital.com</a></td>
</tr>
<tr>
<td>PROSPERITY BANK</td>
<td>1301 N. Mechanic El Campo, TX 77437</td>
<td>979-543-2200</td>
<td><a href="http://www.prosperitybanktx.com">www.prosperitybanktx.com</a></td>
</tr>
<tr>
<td>REGIONS BANK</td>
<td>4319 W. Braker Ln., Austin, TX 78756</td>
<td>512-372-2343</td>
<td><a href="http://www.regions.com">www.regions.com</a></td>
</tr>
<tr>
<td>SEACOAST COMMERCE BANK</td>
<td>11900 Rancho Bernardo Rd., Ste. 200, San Diego, CA 92128</td>
<td>858-432-7000</td>
<td><a href="http://www.seacoastbank.com">www.seacoastbank.com</a></td>
</tr>
<tr>
<td>SECURITY SERVICE FCU</td>
<td>17868 IH-10, Ste. 100, San Antonio, TX 78256</td>
<td>800-552-7732 ext. 449</td>
<td><a href="http://www.ssfcu.org">www.ssfcu.org</a></td>
</tr>
<tr>
<td>SOVEREIGN BANK</td>
<td>17950 Preston Rd., Ste. 500, Dallas, TX 75252</td>
<td>214-242-1900</td>
<td><a href="http://www.sovereignbank.com">www.sovereignbank.com</a></td>
</tr>
<tr>
<td>SPIRIT OF TEXAS BANK, SSB</td>
<td>625 University Dr. E., College Station, TX 77840</td>
<td>979-846-8000</td>
<td><a href="http://www.spiritoftexasbank.com">www.spiritoftexasbank.com</a></td>
</tr>
<tr>
<td>T BANK, NATIONAL ASSOCIATION</td>
<td>1600 Dallas Pkwy., Dallas, TX 75248</td>
<td>972-720-9000</td>
<td><a href="http://www.tbank.com">www.tbank.com</a></td>
</tr>
<tr>
<td>TEXAN BANK</td>
<td>12946 Dairy Ashford Rd., Ste. 100, Sugar Land, TX 77478</td>
<td>281-276-1800</td>
<td><a href="http://www.texanbank.com">www.texanbank.com</a></td>
</tr>
<tr>
<td>TEXSTAR NATIONAL BANK</td>
<td>600 Pat Booker Rd., Universal City, TX 78148</td>
<td>210-659-4000</td>
<td><a href="http://www.texstar-bank.com">www.texstar-bank.com</a></td>
</tr>
<tr>
<td>TITAN BANK NATIONAL ASSOCIATION</td>
<td>1701 E. Hubbard Ave., Mineral Wells, TX 76067</td>
<td>940-325-9821</td>
<td><a href="http://www.titanbank.com">www.titanbank.com</a></td>
</tr>
<tr>
<td>TRUSTMARK NATIONAL BANK</td>
<td>248 E. Capitol St., Jackson, MS 39201</td>
<td>601-208-5111</td>
<td><a href="http://www.trustmark.com">www.trustmark.com</a></td>
</tr>
<tr>
<td>UNITED MIDWEST SAVINGS BANK</td>
<td>101 S. Main St., De Graff, OH 43318</td>
<td>979-543-2200</td>
<td><a href="http://www.unitedmidwestsavings.com">www.unitedmidwestsavings.com</a></td>
</tr>
<tr>
<td>WELLS FARGO BANK, N.A.</td>
<td>40 Northeast Loop 410, 1st Fl., San Antonio, TX 78216</td>
<td>210-856-6161</td>
<td><a href="http://www.wellsfargo.com">www.wellsfargo.com</a></td>
</tr>
</tbody>
</table>

### Winning Lenders

The following lenders have made SBA loans to businesses in the 55 County Region in fiscal years 2013 and 2014 (through May 31, 2014):

<table>
<thead>
<tr>
<th>Lender</th>
<th>Address</th>
<th>Phone</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>BANESCO USA</td>
<td>150 Alhambra Ctr., Ste. 100, Coral Gables, R. 33134</td>
<td>786-552-0550</td>
<td><a href="http://www.banescousa.com">www.banescousa.com</a></td>
</tr>
<tr>
<td>ECCO BANK</td>
<td>3731 Wilshire Blvd., 4th Fl., Los Angeles, CA 90010</td>
<td>213-639-1700</td>
<td><a href="http://www.eccobank.com">www.eccobank.com</a></td>
</tr>
<tr>
<td>BBVA COMPASS BANK</td>
<td>200 Concord Plaza, Ste. 200, San Antonio, TX 78216</td>
<td>210-370-6096</td>
<td><a href="http://www.compassweb.com">www.compassweb.com</a></td>
</tr>
<tr>
<td>BROADWAY NATIONAL BANK</td>
<td>1177 N.E. Loop 410, San Antonio, TX 78209</td>
<td>210-283-6882</td>
<td><a href="http://www.broadwaybank.com">www.broadwaybank.com</a></td>
</tr>
</tbody>
</table>

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# SBA Participating Lenders

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Address</th>
<th>Phone</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America, National Association</td>
<td>A Representative Will Assist You 800-263-2055</td>
<td><a href="http://www.bankofamerica.com">www.bankofamerica.com</a></td>
<td></td>
</tr>
<tr>
<td>BBVA Compass Bank</td>
<td>200 Concord Plaza, Ste. 200 San Antonio, TX 78216 210-370-6086</td>
<td><a href="http://compassweb.com">compassweb.com</a></td>
<td></td>
</tr>
<tr>
<td>Branch Banking &amp; Trust Company</td>
<td>9901 IH-10 W., Ste. 165 San Antonio, TX 78230 210-253-6401</td>
<td><a href="http://www.bbb.com">www.bbb.com</a></td>
<td></td>
</tr>
<tr>
<td>Broadway National Bank</td>
<td>1177 N.E. Loop 410 San Antonio, TX 78209 210-283-6882</td>
<td><a href="http://www.broadwaybank.com">www.broadwaybank.com</a></td>
<td></td>
</tr>
<tr>
<td>Citibank, National Association</td>
<td>5400 Broadway San Antonio, TX 78209 210-399-2168</td>
<td><a href="http://www.citibank.com">www.citibank.com</a></td>
<td></td>
</tr>
<tr>
<td>Columbus First Bank</td>
<td>6877 N. High St. Worthington, OH 43085 614-310-7200</td>
<td><a href="http://www.columbusfirstbank.com">www.columbusfirstbank.com</a></td>
<td></td>
</tr>
<tr>
<td>Comerica Bank</td>
<td>300 W. 6th St., Ste. 1300 Austin, TX 78701 800-925-2160</td>
<td><a href="http://www.comerica.com">www.comerica.com</a></td>
<td></td>
</tr>
<tr>
<td>Frost Bank</td>
<td>100 W. Houston St. San Antonio, TX 78205 210-220-4893</td>
<td><a href="http://www.frostbank.com">www.frostbank.com</a></td>
<td></td>
</tr>
<tr>
<td>Horizon Bank, SSB</td>
<td>600 Congress, Ste. G-260 Austin, TX 78701 512-637-5730</td>
<td><a href="http://www.horizonbanktexas.com">www.horizonbanktexas.com</a></td>
<td></td>
</tr>
<tr>
<td>JPMorgan Chase Bank, N.A.</td>
<td>1020 N.E. Loop 410 San Antonio, TX 78209 210-829-8197</td>
<td><a href="http://www.jpmorganchase.com">www.jpmorganchase.com</a></td>
<td></td>
</tr>
<tr>
<td>Lubbock National Bank</td>
<td>5300 Bee Cave Rd. West Lake Hills, TX 78746 512-347-1959</td>
<td><a href="http://www.lubbocknational.com">www.lubbocknational.com</a></td>
<td></td>
</tr>
<tr>
<td>Regions Bank</td>
<td>100 Congress, Ste. 1700 Austin, TX 78701 512-226-0236</td>
<td><a href="http://www.regions.com">www.regions.com</a></td>
<td></td>
</tr>
<tr>
<td>Sage Capital Bank, National Association</td>
<td>1606 N. Sarah DeWitt Dr. Gonzales, TX 78629 830-672-8585</td>
<td><a href="http://www.sagecapitalbank.com">www.sagecapitalbank.com</a></td>
<td></td>
</tr>
<tr>
<td>Security Service FCU</td>
<td>17806 IH-10, Ste. 100 San Antonio, TX 78256 800-552-7732 ext. 449</td>
<td><a href="http://www.ssfcu.org">www.ssfcu.org</a></td>
<td></td>
</tr>
<tr>
<td>Texas Champion Bank</td>
<td>14607 San Pedro, Ste. 200 San Antonio, TX 78232 210-375-3133</td>
<td><a href="http://www.texaschampionbank.com">www.texaschampionbank.com</a></td>
<td></td>
</tr>
<tr>
<td>Texstar National Bank</td>
<td>600 Pat Booker Rd. Universal City, TX 78148 210-659-4000</td>
<td><a href="http://www.texstar-bank.com">www.texstar-bank.com</a></td>
<td></td>
</tr>
<tr>
<td>Wells Fargo Bank, N.A.</td>
<td>40 Northeast Loop 410, 1st Fl San Antonio, TX 78216 210-856-6161</td>
<td><a href="http://www.wellsfargo.com">www.wellsfargo.com</a></td>
<td></td>
</tr>
<tr>
<td>The Bank of San Antonio</td>
<td>100 Congress, Ste. 1700 Austin, TX 78701 512-226-0236</td>
<td><a href="http://www.regions.com">www.regions.com</a></td>
<td></td>
</tr>
<tr>
<td>The Bank of San Antonio</td>
<td>14607 San Pedro, Ste. 200 San Antonio, TX 78232 210-375-3133</td>
<td><a href="http://www.texaschampionbank.com">www.texaschampionbank.com</a></td>
<td></td>
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