

2014 - 2015

RESOURCE GUIDE *for* SMALL BUSINESS

U.S. Small Business Administration • Utah



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Work for You**
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On the Cover: Early SBA-Backed investment and business advice sets Brandywine Valley Fashionistas, Amy Trelenberg and Megan Healy, up to take the fashion world by storm. See success story on back cover.



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Printed in the United States of America

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SBA Publication # MCS-0018

This publication is provided under SBA Contract # SBAHQ05C0014.

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FROM THE ADMINISTRATOR



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 Womens 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,

A handwritten signature in black ink that reads "Maria Contreras-Sweet". The signature is fluid and cursive.

Maria Contreras-Sweet
Administrator
U.S. Small Business Administration

FROM THE REGIONAL ADMINISTRATOR

Congratulations on taking the first steps toward starting a new small business in Utah!



There's a reason Utah's state motto is simply "Industry". Utah has a dynamic and diverse economy with more than 252,000 small firms in a wide range of sectors. These small companies employ 50 percent of the state's private workforce and represent nearly 98 percent of all employers in the state. Great things are happening in this state and the U.S. Small Business Administration (SBA) is here to help you access the resources you may need to achieve your own small-business success.

Our mission is to help small businesses start, grow and succeed. We do this in three main areas: access to capital, opportunities in federal contracting, and training -- or, more simply put, the three "C's" of Capital, Contracts, and Counseling, in addition to a D for assistance with recovery from disasters.

President Obama has long recognized and supported the essential role of small businesses as innovators, job creators, and drivers of economic recovery. He underscored this view by making the SBA Administrator a member of his Cabinet. Then, by appointing Maria Contreras Sweet to fill that position, he brought to the agency her extensive experience as a successful former businesswoman and banker,

along with new energy and fresh ideas.

Under their leadership, we've announced several recent initiatives to improve credit availability for all small firms. For example, we eliminated fees on loans of \$150,000 and less. We rolled out a credit scoring model that accurately gauges risk without the need for lenders to submit cash flow analysis on loans of \$350,000 or less. We also launched a competition for business incubators and accelerators to highlight best practices in diverse locations around the country. This is just one facet of our effort to make small business resources available to all, including traditionally underserved communities. Together, these and other changes are helping to make sure the new SBA is "Smart, Bold, and Accessible."

So whether you utilize one of our SCORE or Small Business Development Center counselors, secure a small business guaranteed loan, participate in our 8(a) Business Development program and gain a federal contract, or receive help from our disaster assistance program, the SBA is here to help you succeed.

I hope this Utah Business Resource Guide will help you get started!

Matthew Varilek
Region VIII Administrator
U.S. Small Business Administration

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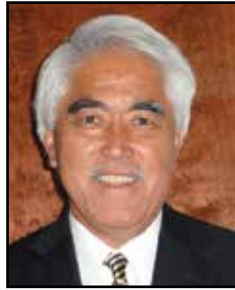
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Creating the Future

Utahns have always been willing to go the extra mile for each other, whether it's helping clean up after a disaster, supporting a neighbor who may have suffered a tragedy of some sort, or just lending a helping hand when there's a project to be finished. Our can-do attitude has enabled Utah businesses to create over 100,000 jobs over the last four years, a remarkable accomplishment for a relatively low-population state.

Much of our state's economic success can be attributed to strong leadership and an emphasis on core values that create an environment where small businesses can start, grow and succeed. As the national voice for small business, the U.S. Small Business Administration (SBA) is one of our country's best kept secrets. Our only advertising is through our local lending partners and other local resource partners who work with us to deliver a comprehensive list of programs and services focused on helping small business owners to continue doing what they do best... grow Utah's economy.

As the national economy goes through various cycles, challenges and successes, SBA responds with increased emphasis in areas of immediate need. When our national trade deficit was increasing, SBA partnered with the Department of Commerce to help more small businesses learn about exporting opportunities for their goods and services. When it became evident our troops returning home from the wars in Iraq and Afghanistan needed more opportunities in the private sector, SBA partnered with the military branches and major colleges and universities to expand the Boots to Business program, preparing former soldiers to become entrepreneurs and small business owners.

On the lending front, SBA has developed and implemented a

comprehensive credit scoring model that helps streamline the loan application process for our participating lenders. This new credit scoring model uses over 10 years of SBA lending data to more accurately predict lending outcomes, making it easier for our lending partners to identify qualified loan applicants.

Additionally, SBA is striving to make our programs and services more accessible to all Americans without regard to gender, race or culture. There is a place in our society for all who desire to participate in the world of entrepreneurship. With an effective business model, business plan and access to the right combination of resources, those with good ideas and the drive to succeed can potentially realize their dream of business ownership, regardless of their heritage.

Since the 'Great Recession' of 2007-2009, Utah has seen a continuous positive recovery in our economy, and a continuing ranking at or near the top of many 'Best Places to Do Business' Lists. SBA has contributed to this recovery by providing small business loan guarantees for 1252 loans totaling \$480 million in fiscal 2014. This dollar amount is a record for Utah-based SBA lending, and indicates the growing strength of Utah's economic foundation.

We welcome all who desire to participate with us in helping shape the economic future of Utah and our nation. It has been said that planning for the future requires taking the first step today. As you review the material in this Resource Guide, we urge you to contact SBA or the agencies and organizations that provide what you are seeking. If you believe starting or expanding a business might be in your future, let us help you navigate that journey. There is never a better time to start creating your future.

Stan Nakano

*District Director of
SBA's Utah District Office*

We Welcome Your Questions

For extra copies of this publication or questions please contact:

Utah District Office
125 South State Street, Suite 2227
Salt Lake City, UT 84138

Tel: 801-524-3209 Fax: 801-524-4410

Website: www.sba.gov/ut

Doing Business in Utah

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



THE UTAH DISTRICT OFFICE

The Utah District Office is responsible for the delivery of SBA's many programs and services. The District Office is located at 125 South State Street, Suite 2227, Salt Lake City, UT. Office hours are from 8:00 AM until 4:30 PM, Monday through Friday.

CONTACTING THE UTAH DISTRICT OFFICE

For program and service information, please email Utahgeneral@sba.gov or call 801-524-3209.

SERVICES AVAILABLE

Financial assistance for new or existing businesses through guaranteed loans made by area bank and non-bank lenders. Free counseling, advice and information on starting, better operating or expanding a small business through the SCORE, the Small Business Development Centers (SBDC), and the Women's Business Center (WBC).

They also conduct training events throughout the district - some require a nominal registration fee. Assistance to businesses owned and controlled by socially and economically disadvantaged individuals through the 8(a) Business Development Program. Special loan programs are available for businesses involved in international trade and a Veterans Affairs Officer is available to assist veterans.

SUCCESS STORY



Utah 2014 Small Business Person of the Year
Sandeep Sharma,
President and CEO,
Global Consulting International

At a fairly young age Sandeep Sharma was determined to follow an educational path that would lead him to travel the world. Sandeep thought the quickest way to pursue this goal of traveling was through the IT industry, and thus pursued and received a degree in Power Electronics Engineering in his native India.

In 1992, Sandeep made his first trip to the United States. His worldwide travels had convinced him the one place where an entrepreneur could succeed was in the United States of America, so he decided that was where he would raise his family, and make his mark. Sandeep migrated with his wife and then two-year-old daughter to the USA in 1996 and began working for Oracle Corporation in Utah.

Sandeep worked hard over the next nine years to realize his dream, and in January 2005 Global Consulting International (GCI) was incorporated. The company's headquarters were in Sandeep's basement, where he had two employees. With support from the Utah Procurement Technical Assistance Center (PTAC), and the SBA Utah District Office, GCI was accepted into SBA's 8(a) Business Development Program in September 2007.

Just as the company was gaining momentum, Sandeep's mother was diagnosed with cancer in 2006, and subsequently passed away in 2009. During this time Sandeep was pushed to new physical and emotional limits, constantly traveling back to India to be with his mother while continuing to grow the company.

From a spartan beginning in 2005 with 2 employees, GCI has matured into a 130-employee company with 2012 revenues of over \$20 million, and a three-year growth rate of 636 percent. The company recently purchased and renovated the remaining half of a historical-class building it occupies in downtown Salt Lake City.

The value of good healthcare insurance coverage is not lost on Mr. Sharma, primarily as a result of his mother's battle with cancer. GCI strives to offer the best health coverage the company can afford to its employees. Sandeep explains, "I've learned that addressing the human condition is more important than business. It's better to take a little less profit and to take better care of your employees, who are really your extended family."

During the 16-day federal government shutdown in October 2013, GCI continued to pay all employees their full salaries and benefits. Also, the GCI Foundation made a significant financial commitment to needy children during the 2013 Christmas season.

Despite all of his personal and professional success, Sandeep Sharma remains a humble man driven to succeed in life through his own set of standards, which are focused on doing well by others, and doing good to others. SBA is pleased to recognize Sandeep Sharma as the 2014 Utah Small Business Person of the Year.

COUNSELING

Getting Help to Start, Market and Manage Your Business

COUNSELING



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, obtain government contracts, recover from disaster, find foreign markets, and make your voice heard in the federal government.

You can access SBA information at www.sba.gov or visit one of our local offices for assistance.

SBA'S RESOURCE PARTNERS

In addition to our district offices, which serve every state and territory, the SBA works with a variety of local resource partners to meet your small business needs: SCORE chapters, Small Business Development Centers (SBDCs), and Women's Business Centers (WBCs). This partner network reaches into communities across America: More than 13,000 business counselors, mentors and trainers available through over 900 Small Business Development Centers,

110 Womens' Business Centers and 350 SCORE chapters. These professionals can help with writing a formal business plan, locating sources of financial assistance, managing and expanding your business, finding opportunities to sell your goods or services to the government, and recovering from disaster. To find your local district office or SBA resource partner, visit www.sba.gov/tools/local-assistance.

SCORE

SCORE is a national network of more than 11,000 entrepreneurs, business leaders and executives who volunteer as mentors to America's small businesses. SCORE volunteers donated more than 1.1 million hours providing services to small business clients. 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.

Found in more than 350 chapters and 800 locations throughout the country, SCORE provides key services – both face-to-face and online – to busy entrepreneurs who are just getting started or are in need of a seasoned business professional as a sounding board for their existing business. As members of your community, SCORE mentors understand local business licensing rules, economic conditions and important business networks. SCORE can help you as they have done for many entrepreneurs through the years by:

- Matching your specific needs with a business mentor
- Traveling to your place of business for an on-site evaluation
- Teaming with several SCORE mentors to provide you with tailored assistance in a number of business areas

Across the country, SCORE offers more than 10,000 local business educational 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 visit www.sba.gov/score or call 800-634-0245 for the SCORE office nearest you. More than 1,200 online mentors with over 150 business skill sets answer your questions about starting and running a business.

For more information on SCORE and to get your own business mentor, visit www.SCORE.org.

ON THE UPSIDE

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

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

Salt Lake Chapter

801-746-2269
www.saltlake.score.org

Central Utah Chapter

Calls are being answered by Penny at
801-373-8660
www.centralutah.score.org

Ogden Chapter

801-629-8613
www.ogden.score.org

Southern Utah Chapter

435-652-7791
www.southernutah.score.org

Northern Utah Chapter

435-760-7937
www.northernutah.score.org

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 assistance, veteran's assistance, technology transfer and regulatory compliance.

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.

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Blanding, UT 84511
435-678-8177

Cedar City SBDC

Southern Utah University
Business Resource Center
77 N. Main St.
Cedar City, UT 84720
435-865-7707



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Ephraim SBDC

Snow College
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Ephraim, UT 84627
435-283-7376

Richfield SBDC

Snow College
800 W. 200 S., Bldg. 2-A
Richfield, UT 84701
435-893-2252

Kaysville SBDC

Davis Applied Technology College
450 S. Simmons Way
Kaysville, UT 84037
801-593-2115

Logan SBDC

Utah State University
1770 N. Research Pkwy., Ste. 140
North Logan, UT 84341
435-797-2277

Brigham City SBDC

Utah State University
195 West 1100 S., Rm. 203
Brigham City, UT 84302
435-919-1235

Tooele SBDC

Utah State University
88 South Tooele Blvd., Rm. 213
Tooele, UT 84074
435-248-1895

Ogden SBDC

Weber State University
2314 Washington Blvd., Rm. 104
Ogden, UT 84401
801-626-7232

Orem SBDC

Utah Valley University
MS 239 BRC Bldg., Rm. 104
Orem, UT 84058
801-863-8230

Price SBDC

Utah State University
Eastern 420 N. 300 East
Price, UT 84501
435-613-5460

St. George SBDC

Dixie State College
1071 E. 100 South, Ste. C7
St. George, UT 84770
435-652-7741

Moab SBDC

USU Moab Education Center
125 W. 200 South, Bldg. B, Ste. 123
Moab, UT 84532
435-259-7432 ext. 1811

Salt Lake SBDC

Salt Lake Community College
9750 S. 300 West, Miller Campus
MCPC 200
Sandy, UT 84070
801-957-5441

Vernal SBDC

Utah State University
320 N. Aggie Blvd.
Vernal, UT 84078
435-789-6100

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

**SUCCESS
STORY****Adversity Often Breeds Opportunity**

Adversity often breeds opportunity, and Robert James took full advantage of just such a situation in 1997 when he bought back the company his father William had started, but sold to an investor seven years earlier. Initially founded in 1969 as Aeroflow Industries, the company focused on manufacturing oil free air compressors. By 1990, the market had been saturated by discounted oil-free compressors and the company was sold.

Sensing an impending dramatic shift in the market, Robert bought back the company when he saw future potential. Renamed Hycomp, Robert immediately expanded company product lines to include production of air boosters and gas compressors, with an emphasis on nitrogen compressors.

After the company moved to new facilities in 2004 with the aid of an SBA 504 loan, Hycomp continued to expand, growing from an initial 3 employees in 1997 to 55 employees

today. A major component of the company's expansion has been its penetration into international markets with the assistance of an SBA-guaranteed Export Express Loan.

Today, Hycomp has a business presence in over 40 countries and the company has specialty compressors on every continent except Antarctica. From 2011 to 2012, Hycomp's international sales nearly tripled, and from 2012 to 2013, its global projects increased by 41 percent. During 2012, over 46 percent of the company's total revenue was produced through product exports in support of multiple industries including aerospace, gas production, chemical manufacturing, pharmaceuticals, semiconductors, nuclear power production and others.

After being reacquired from its former owner, Hycomp has been transformed by Robert James to become one of only two companies in the U.S involved in large-scale, high-end manufacturing of oil-free air and gas compressors.

However, Robert's interests are not solely focused on running his company.

Robert James rallies his employees to be involved in community causes. When employees banded together to raise money for Japanese tsunami victims, Hycomp then matched the total amount collected dollar for dollar. James spearheaded a similar fundraising effort to benefit a local family whose home burned down. James is also captain of Hycomp's Relay for Life team that raises money to benefit the American Cancer Society.

Robert James has 'rescued' the company his father founded and successfully expanded its product portfolio through a major exporting emphasis.



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 2013, the WBC program counseled and trained nearly 134,000 clients, creating local economic growth and vitality. In addition, WBCs helped entrepreneurs access more than \$25 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 an increased profit

margin, and 47 percent indicated that the services led to an increase in sales.

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

To find the nearest SBA WBC, visit www.sba.gov/women or contact Ann Marie Thompson at 801-328-5052 or athompson@slchamber.com or www.slchamber.com.

SBA EMERGING LEADERS

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 27 underserved communities across the country with plans to expand to more communities in 2015. Over 2,500 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



Building your business through SBA loans.

If you're looking to grow or expand, an SBA loan from KeyBank could help you finance a new location, new equipment, more inventory, or even an acquisition. KeyBank is consistently ranked a top SBA lender and has been an SBA Large 7(a) Lender of the Year. We've been helping community businesses like yours to thrive for more than 150 years. Let us help you reach your goals.

To connect with a Key SBA loan specialist, stop by a local KeyBank branch or visit key.com/sba.

KeyBank 
Unlock your possibilities™

Pictured: Costas Mavromichalis, owner, Constantino's Market, and his daughter, Arina Mavromichalis, general manager.
All credit products are subject to credit approval. Banking products and services are offered by KeyBank N.A. Equal Housing Lender. SBA Preferred Lender. ©2014 KeyCorp. KeyBank is Member FDIC. E76879

- 95% were satisfied with the Emerging Leaders program.

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

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 Learning Center:

- Training is available anytime and anywhere — all you need is a computer (or mobile device) with Internet access.
- Nearly 50 free online and interactive courses and workshops available.
- Checklists and worksheets to get your business planning underway.
- Course topics include how to write a business plan, financing options 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.

- Over 10 new courses launched in the last year; including a new Spanish-language version of a course for Young Entrepreneurs. 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.

FINANCIAL LITERACY

If you want to start a business or learn how to better manage your business money, begin with Money Smart. SBA and FDIC jointly provide an instructor-led business training curriculum, Money Smart for Small Business, for free. This curriculum is designed to provide introductory-style training for new and aspiring entrepreneurs. The 10 modules provide the most essential information on running a small business from a financial standpoint. In addition to grounding participants in the basics, the curriculum serves as a foundation for more advanced training and technical assistance. You can find this curriculum by visiting www.sba.gov/moneysmart.

To learn more about the Financial Literacy and Education Commission, visit www.mymoney.gov.

BusinessUSA

Discover. Connect. Grow.

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.

REACHING UNDERSERVED COMMUNITIES

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



REACHING UNDERSERVED COMMUNITIES

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/bootstobusiness.

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.

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.

The office provides a network of training initiatives that include a Native Entrepreneurial Empowerment Workshop, a Native American 8(a) Business Development Workshop, a Money Smart Workshop, an Incubator Workshop 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 the Contracting section.

Young Entrepreneurs

The SBA recognizes the importance of fostering young entrepreneurs and small business owners and their role in the economy. The SBA offers different activities and resources throughout the year aimed at aspiring young entrepreneurs, including social media outreach and customized online courses. The SBA also works with other federal agencies to provide various activities for this market (www.findyouhinfo.gov). To find more information, visit www.sba.gov/young.

Encore Entrepreneurs

To help meet the needs of "encore entrepreneurs," SBA and AARP have joined forces to mentor, counsel, and educate Americans age 50 and over on how to start or grow a small business. Through this partnership, SBA and AARP collaborate to connect the 50+ population to small business development resources, including online courses, live workshops, conferences, and mentoring activities. For additional information, visit www.sba.gov/encore.

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

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

IS ENTREPRENEURSHIP FOR YOU?

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

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

from having to carry all the responsibility for the success of their business on their own shoulders. Strong motivation will help you survive slowdowns and periods of burnout.

- **How will the business affect your family?** The first few years of business start-up can be hard on family life. It's important for family members to know what to expect and for you to be able to trust that they will support you during this time. There also may be financial difficulties until the business becomes profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk.

Once you've answered 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.



CAPITAL

Financing Options to Start or Grow Your Business



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, but 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 applies directly to a 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), a history of the business and explanation of how the business generates income, 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 their 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.

Congress authorized SBA to provide financial assistance either directly or in cooperation with banks or other financial institutions through agreements to participate in section 7(a) of the Small Business Act. Historically, a 7(a) loan was provided either directly from SBA or from regulated lenders who provided the loan after they obtained a guaranty from SBA. Since 1996, all 7(a) loans have only been provided on a guaranteed basis, meaning from a lender participating in the 7(a) Loan Guaranty Program.

The business loans that SBA guarantees do not come from the Agency, but rather from banks and other approved lenders. The loans are funded by these organizations and they make the decisions to approve or deny the applicants' request for financial assistance.

The guaranty that SBA provides the lender reduces the lender's risk of borrower non-payment because the guaranty assures the lender that if the borrower defaults, the lender can request that SBA pay the debt rather than the borrower. SBA only guarantees a portion or percentage of every loan not the whole debt, so in the event of default the lender will only get partially repaid by SBA. This means that if the borrower can't make the payments and defaults, the lender can recover the guaranteed portion of the defaulted debt from the SBA. 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. One of those requirements is that 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

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 180 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. If the applicant is applying for their first business loan, it is recommended that the lender be the lender who maintains the personal account of the owner(s). 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, if the only way the lender can approve the loan is to obtain an SBA guaranty. 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.

There are several ways a lender can request a 7(a) Guaranty for a proposed

business loan from SBA. The main differences between these different processing methods are related to the experience the lender has in requesting guarantees from SBA, the documentation the lender provides to SBA, the amount of review the SBA conducts after receiving the request, the amount of the loan and the lender responsibilities in case the loan defaults and the business' assets must be liquidated. The current different processing methods are:

- Standard 7(a) Guaranty
- Certified Lender Program
- Preferred Lender Program
- SBA Express
- Export Express
- Community Advantage

When a lender requests a 7(a) guaranty for a business loan they propose to provide a small business their application consist of two parts. The applicant fills out SBA Form 1919 while the lender completes SBA Form 1920. The Form 1919 is designed for the applicant to explain what they intend to do with the money and how they will repay the loan. The Form 1920 requires the lender to explain their analysis of the eligibility and credit merits of the request.

When the request loan amount is smaller (generally under \$350,000) the lender is allowed to provide SBA with less information in their application for guaranty but that does not mean the applicant business can provide the lender with less information. The lender has the ability to ask the applicant for as much detail as they believe is necessary for them to make their decision on the specific request.

When the SBA receives a request for guaranty from a lender they will either re-analyze, review or trust the lender's eligibility and credit analysis before deciding to approve or reject the request. See the section on 7(a) Loan Processing from Lenders later on in this article for more detail on what SBA does when it receives a request for guaranty from the lender.

By guaranteeing a loan, the SBA assures the lender that, in the event the borrower does not repay the loan, the government will reimburse the lending institution for a percentage of the amount owed. By providing this guaranty, the SBA is able to help tens

of thousands of small businesses every year get financing they might not otherwise obtain.

When an SBA guaranty is approved, the lender is notified and they will work with the applicant to make sure the terms and conditions designed for the specific loan are met before closing the loan, disbursing the funds, and assuming responsibility for payment collection and general servicing. The borrower makes loan payments directly to the lender. As with any loan, the borrower is obligated to repay the full amount of the loan in a timely manner.

What the SBA Looks for:

- Ability to repay the loan on time from the projected operating cash flow;
- Owners and operators who are of good character;
- Feasible business plan;
- Management expertise and commitment necessary for success;
- Sufficient funds, including (but not limited to) 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
- Enough collateral to fully secure the loan or, all worthwhile available business collateral plus personal real estate if the loan cannot be fully secured.

The Impact of a Credit Score

SBA also credit scores every business that is a potential recipient of a loan guaranteed by SBA. If the loan is for \$350,000 or less, the credit score obtained will have a significant impact on the amount of work the lender has to complete when applying for an SBA guaranty. As such it is important for any owner of a potential business loan to be aware of their credit score and correct any discrepancies prior to approaching their lender.

with a guaranty, the applicant must be eligible and creditworthy and the loan structured under conditions acceptable to the SBA.

The 7(a) Program includes ten (10) types of loans which all share certain eligibility requirements but which also have some different requirements so they can accommodate specific business needs and/or give lenders greater flexibility with loan structure. The most popular 7(a) loan type is the Basic 7(a) Loan, which can be used for the most diverse purposes. The other nine 7(a) loan types are variations of the Basic 7(a) Loan with different uses for the loan proceeds and alternative structures.

To be eligible for any of the 7(a) loans, the recipients must be both eligible and creditworthy. In addition the applicant business must:

1. Be an operating business (except for loans to Eligible Passive Companies);
2. Be organized for profit;
3. Be located in the United States;
4. Be able to demonstrate a need for the desired credit.
5. Be a business, along with its Affiliates, that meets SBA's Size Standard Requirements.
6. Be a business that is not engaged in a prohibited business activity or owned by a non-qualified owner, or located at a prohibited place.
7. Use the Loan Proceeds for only acceptable purposes, which includes proceeds to start-up a new business, buy an existing business, acquire machinery & equipment and/or furniture & fixtures, acquire or renovate a building which the business will occupy, permanent working capital, and refinancing existing business debt under certain conditions. Proceeds from a Basic 7(a) cannot be used to buy investments that are held for their potential appreciation, or to be provided to an associate of the business except under very limited circumstances.
8. Be able to demonstrate that it can't get the proceeds from its own resources or those of its principal owners and the lender must certify that they would only approve the loan if it is able to obtain a guaranty from SBA.
9. Have ownership that is of Good Character
10. Be able to satisfy any Miscellaneous Eligibility Requirements that may be imposed on a loan request based on the circumstances of the case including, but not limited to the purpose of the loan.

THE BASIC 7(a) LOAN

The Basic 7(a) Loan is the most commonly provided type of SBA business loan based on historical dollars approved. They are the most flexible types of SBA loans because they can help finance such a large variety of business purposes for the largest number of business types, engaged in the widest spectrum of activities.

In the Federal Government's 2013 Fiscal Year (October 1, 2012 to September 30, 2013) about 80 percent of the dollars and 38 percent of the number of all 7(a) loans guaranteed by SBA were Basic 7(a) Loans. The reciprocal percentages were divided between the nine other 7(a) Programs.

The Basic 7(a) Loan is a term loan usually repaid with one monthly



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payment of principal and interest. Interest only repayment periods are permitted when needed, such as for a start-up business that doesn't achieve breakeven in its initial months of operation. Other repayment structures are also permitted depending upon the borrower's needs and the flexibility of the lender.

A Basic 7(a) Loan does not revolve so the sum of the disbursements is the loan amount. SBA can guaranty revolving lines of credit, but that is accomplished through some of the nine variations to the Basic 7(a) Loan.

The following aspects of the Basic 7(a) Loan are also applicable to all other 7(a) Loan unless specifically referenced as not applying to a specific Special 7(a) Loan

Percentage of Guarantees and Loan Maximums

SBA only guarantees a portion of any particular 7(a) loan so each loan will have an SBA share and an unguaranteed portion which gives 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.

The maximum dollar amount of a single 7(a) loan is \$5 million and there is no minimum. The maximum dollar amount of the SBA share which can be provided to any one business (including affiliates) is \$3,750,000.

Interest Rates

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

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.

Guaranty and Other Fees

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 dollar amount of the loan. The guaranty fee is initially paid by the lender and then passed on to the borrower at closing. The funds the business needs 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, 2014 and September 30, 2015, the guaranty fee will be 0%.*

The lender may not charge a prepayment penalty if the loan is paid off before maturity but the SBA will charge the borrower a prepayment fee if the loan has a maturity of 15 or more years and is pre-paid during the first three years.

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. Maturity generally

ranges from 7 to 10 years for working capital, business start-ups, and business acquisition type loans, and up to 25 years if the purpose is to acquire real estate or fixed assets with a long term useful life.

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 upon 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. Loans under \$25,000 do not require collateral.

Loan Structure

The structure of a Basic 7(a) Loan is that repayment has to be set up so the loan is paid in full by maturity. Over the term of the loan there can be additional payments or payment relaxation depending on what is happening with the business. Balloon payments and call provisions are not allowed on any 7(a) term loan.

Eligibility

7(a) loan eligibility is based on a number of different factors, ranging from Size and Nature of Business to Use of Proceeds and factors that are case specific.

Size Eligibility

The first eligibility factor is size, as all loan recipients must be classified as "small" by the SBA. The size standards for all 7(a) loans are outlined below. A more in-depth listing of standards can be found at 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. That Alternative is that the applicant business (plus affiliates) can't have a tangible net worth exceeding \$15 million and average net income exceeding \$5 million for the last 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, or are delinquent on existing federal debt.

Use of Proceeds

The third eligibility factor is Use of Proceeds. A Basic 7(a) Loan can provide proceeds 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;

- Acquire businesses;
- Start businesses;
- Permanent Working Capital Acquire Land and Build a Location for the applicant business; and
- Refinance existing debt under certain conditions.

SBA 7(a) loan proceeds cannot be used:

1. For the purpose of making investments.
2. To provide funds to any of the owners of the business except for ordinary compensation for actual services provided.
3. For Floor Plan Financing
4. For a purpose that does not benefit the business

Miscellaneous Factors

The fourth factor involves a variety of requirements such as SBA's credit elsewhere test where the personal resources of the owners need to be checked to see if they can make a contribution before getting a loan guaranteed by the SBA. It also includes the SBA's anti-discrimination rules and limitations on lending to agricultural

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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 of the Basic 7(a) Loan in order to address specific financing needs for particular types of small businesses or to give the lender greater flexibility with the loan's structure. 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.

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 guaranties and those assets not financed with ITL proceeds, may be appropriate. 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.

Export Working Capital Program

The SBA's Export Working Capital Program (EWCP) assists businesses exporters in meeting their short-term export working capital needs. Exporters can use the proceeds to make the products they will be exporting. They can also apply for such lines of credit prior to 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, but can be up to a maximum of 36 months.

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.

CAPLines

The CAPLines program for loans up to \$5 million is designed to help small businesses meet their short-term and cyclical working capital needs. The programs can be used to finance seasonal working capital needs; finance the direct costs of performing

certain construction, service and supply contracts, subcontracts, or purchase orders; finance the direct cost associated with commercial and residential construction; or provide general working capital lines of credit. The maturity can be for up to 10 years except for the Builders Capline which is limited to 36 months after the first structure is completed. Guaranty percentages are the same as for a Basic 7(a) Loan. There are four distinct short term 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

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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.

SBAExpress

The SBAExpress Loan or Line of Credit is a flexible smaller loan up to \$350,000 that a designated lender can provide to its borrower using mostly their own forms, analysis and procedures to process, structure, service, and disburse this SBA-guaranteed loan. When structured as a term loan the proceeds and maturity are the same as a Basic 7(a) Loan. When structured as a revolving line of credit the requirements for the payment of interest and principal are at the discretion of the lender and maturity can’t exceed 7 years.

Export Express

SBA’s Export Express loans offers flexibility and ease of use for both borrowers and lenders on loans up to \$500,000. It is the simplest export loan product offered by the SBA.

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.

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.

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.

7(a) 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 prior to requesting

a guaranty from SBA 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.

Certified Processing

SBA has a Certified Lenders Program (CLP) which lenders with more experience and commitment to SBA lender can obtain which allows them to request a 7(a) guaranty through a process similar to the Standard process except the SBA will only review the lenders request rather than re-analyze.

Preferred Processing

SBA has a Preferred Lenders Program (PLP) designed for lenders who have been delegated the authority to make both the eligibility and credit decisions without a second look by SBA. This process is used by the most experienced lenders who have the most dedicated staffs ready to review requests for financial assistance from

existing and potential customers in order to see if they need to become SBA guaranteed loans

SBAExpress Processing

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 proceeds for a term loan 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 Processing

SBA Export Express offers flexibility and ease of use for lenders. Participating lenders may use their own forms, procedures and analyses.



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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.

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>. You can find additional export training and counseling opportunities by contacting your local SBA district office.

International Trade Programs

U.S. Export Assistance Center
1625 Broadway Ave., Ste. 680
Denver, CO 80202
303-844-6623 • 303-844-5651 Fax

Community Advantage Loans

The **Community Advantage Pilot Program** is aimed at helping businesses located 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. These lenders provide technical assistance and economic development support to businesses located in underserved markets.

The application process is the same as for a Basic 7(a) Loan. The main difference with this program from other SBA 7(a) loan programs is the lender who ultimately provides the loan funds is not a traditional SBA lender. Visit: www.sba.gov/advantage for more information about this program.

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 works 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 loans for aiding rural development and expansion of small businesses owned by veterans, women, and minorities; 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 reflects an average jobs to debenture portfolio ratio of at least 1 job per \$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 lender finances approximately 50 percent of the project cost and receives a first lien on the project assets (but no SBA guaranty); A CDC (backed by a 100 percent SBA-guaranteed debenture) finances up to 40 percent of the project costs secured with a junior lien. The borrower provides the balance of the project costs.
- Fixed interest rate on SBA loan. 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.

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801-830-5610

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 or call 801-524-3209.

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 subcontracts 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



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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.

Approved Agents for Utah:

ACORA Surety & Insurance Services, LLC

3246 E. Hwy. 7
Montevideo, MN 56265
320-269-3144
amy@goldleafsurety.com

American Contracting Services, Inc.

5933 Glenway Ave.
Cincinnati, OH 45238
513-793-5333
tbalzano@acsbonds.com

American Contractors Indemnity Company

601 S. Figueroa St.
Los Angeles, CA 90017
972-930-0880
cletcher@hccsurety.com

American Surety Bonds Agency, LLC

1587 N.E. Expwy.
Atlanta, GA 30329
404-486-2355
bknowles@suretybondsagency.com

Beehive Insurance Agency, Inc.

302 W. 5400 S.
Murray, UT 84107
801-685-6860
dsnow@beehiveinsurance.com

CB Insurance, LLC

1 S. Nevada Ave., Ste. 105
Colorado Springs, CO 80903
719-477-4278
jason.yezek@centralbancorp.com

CCI Surety, Inc.

1710 N. Douglas Dr., Ste. 110
Golden Valley, MN 55422
763-543-6993
amichael@ccisurety.com

Capstone Brokerage, Inc.

8681 W. Sahara Ave., Ste 100
Las Vegas, NV 89117
702-227-5727
alicia@capstone1.com

Central Bonds & Insurance Agency, Inc.

411 W. 7200 S., #102
Midvale, UT 84047
801-566-7272
dave@centralbonds.com

Certified Insurance Services

P.O. Box 2068
Cedar City, UT 84721
435-586-2211
brada@certifiedinsurance.net

Cobb, Strecker, Dunphy and Zimmerman, Inc.

5 Triad Center, Ste. 340
Salt Lake City, UT 84180
801-537-7467
gdotson@csdz.com

Dean Insurance Agency

17 North 470 W.
American Fork, UT 84003
801-763-1313
wdean@deanins.net

Fedeli, Liptak & Keller, LLC

4301 Darrow Rd.
Stow, OH 44224
330-688-3551
kevin@flkbonds.com

Forsberg Engerman Company dba Rocky Mountain Surety

3575 S. Sherman St.
Englewood, CO 80113
303-670-9600
chris@rmsurety.com

Fred A. Moreton & Company dba Moreton & Company

709 E. South Temple
Salt Lake City, UT 84109
801-531-1234
walter@moreton.com

Freedom Bonding, Inc.

11100 Liberty Rd.,
Randallstown, MD 21133
410-922-2221
leestevens@freedombondinginc.com

Global Indemnity Insurance Agency

195 Scott Swamp Rd.
Farmington, CT 06032
860-676-8830
johnwagner@suretyllc.com

Hub International Insurance Services

1125 17th St.
Denver, CO 80202
303-893-0300
Ashley.anderson@hubinternational.com

InfiniTeam Insurance, Inc.

39 West 9000 S.
Sandy, UT 84070
801-619-6288
info@infini-team.com

Integrated Insurance Solutions, Inc.

3191 S. Valley St., Ste. 206
Salt Lake City, UT 84109
801-487-3000
teri@integratedslc.com

Integrity Surety, LLC

17544 Midvale Ave. N
Seattle, WA 98133
800-592-8662
cameron@integritysurety.com

Intermountain Insurance Associates, LLC

9137 South 150 W.
Sandy, UT 84070
801-495-9711 ext. 2
chris@intinsgrp.com

JW Bond Consultants, Inc.

6023 A Kellers Church Rd.
Peperville, PA 18947
215-776-1990
jd@jwsuretybonds.com

Jane Bond Insurance Agency

516 W. Second St.
Antioch, CA 94509
877-426-6396
janebond@janebond.mobi

KPS Insurance Services, Inc.

10650 Treena St., Ste. 109
San Diego, CA 92131
858-538-8822
mstrahan@kpsbond.com

Leavitt Group of Spanish Fork, UT

PO. Box 421
Spanish Fork, UT 84660
801-798-7343
mike-vowles@leavitt.com

National Surety Services, Inc.

1534 Dunwoody Village Pkwy.
Atlanta, GA 30338
770-394-9444
mike@nationalsurety.com

Pinnacle Surety & Insurance Services, Inc.

151 Kalmus Dr.
Costa Mesa, CA 92626
714-546-5100
bondsca@pinnaclesurety.com

ProSure Group, Inc.

7217 Benjamin Rd.
Tampa, FL 33634
813-243-1110
daves@prosuregroup.com

Roger Bouchard Insurance

101 Starcrest Dr.
Clearwater, FL 33765
727-447-6481
bonds@bouchardinsurance.com

Rudnik Surety, Inc.

7191 Knollwood Dr.
Mounds View, MN 55112
763-786-9444
david@rudniksurety.com

SBS Bonds & Insurance Services, Inc.

525 S. Escondido Blvd.
Escondido, CA 92025
760-489-1600
Margie@sbsbonds.com

Summit Insurance Group

7430 S. Creek Rd.
Sandy, UT 84047
801-755-2839
mdhunter@summitutah.com

Surety Solutions Insurance Services

3225 Monier Cir.
Rancho Cordova, CA 95742
916-737-5723
ryan@surety1.com

The Bond Exchange, Inc.

11601 Pleasant Ridge Rd., Ste. 200
Little Rock, AZ 72212
501-224-8895
ami@thebondexchange.com

The Buckner Company

6550 S. Millrock Dr., Ste. 300
Salt Lake City, UT 84121
801-937-6700
remery@buckner.com

The Guarantee Company of North America USA

11075 S. State St., Ste. 9-A
Salt Lake City, UT 84070
801-999-4178
tdeluca@gcna.com

The Presidio Group

5295 South 300 W., Ste. 550
Salt Lake City, UT 84157
801-924-1400
mwade@presidio-group.com

The Surety Group Agency, LLC

3715 NorthSide Pkwy.
Atlanta, GA 30327
404-352-8211
kreed@suretygroup.com

Thomas Sauer Bond Agency

5619 S. Curtis St.
Littleton, CO 80120
866-288-3856
tom@tsballc.com

Viking Bond Service, Inc.

22601 N. 19th Ave.
Phoenix, AZ 85027
623-518-2982
cynthiab@vbsbond.com

Wells Fargo Insurance Services USA, Inc.

90 S. Cascade, 2nd Fl.
Colorado Springs, CO 80903
719-577-5339
christina.townsend@wellsfargo.com

For additional surety agents located outside of Utah, but licensed to do business in Utah please go to: www.sba.gov/content/bonding-agencies-state.

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.

EPIC Ventures Fund IV, LLC

15 W. South Temple, Ste. 500
Salt Lake City, UT 84101
801-524-8939 • 801-524-8941 Fax
Contact: Nick Efratris
ryan@epicvc.com

Pelion Ventures V Financial Institutions Fund, LP

2755 E. Cottonwood Pkwy., Ste. 520
Salt Lake City, UT 84121
801-365-0262 • 801-365-0233 Fax
Contact: James Dreyfous
jdreyfous@pelionvp.com

Utah Ventures III, L.P.

2755 E. Cottonwood Pkwy., Ste. 520
Salt Lake City, UT 84121
801-365-0262
Contact: Jaquie McKay
jaquie@pelionvp.com

UTFC Fund II, LLC

268 S. State St., Ste. 260
Salt Lake City, UT 84111
801-741-4200
Contact: Scott Stenberg
scott@innventures.com

UV Partners IV Financial Institution Fund L.P.

2755 E. Cottonwood Pkwy., Ste. 520
Salt Lake City, UT 84121
801-365-3262
Contact: James C. Dreyfous
jaquie@uvpartners.com

vSpring SBIC, L.P.

2795 E. Cottonwood Pkwy., Ste. 360
Salt Lake City, UT 84121
801-942-8999
Contact: Travis Heath
travis@signalpeakvc.com

vSpring III D, L.P.

2795 E. Cottonwood Pkwy., Ste. 360
Salt Lake City, UT 84121
801-942-8999
Contact: Scott Pettytravis@vspring.com

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SBA LOANS BY LENDER - UTAH DISTRICT OFFICE

Fiscal Year 2014 Totals

7(a) Loan Guaranty Program

Lender	# Loans	Amount
1ST NATIONAL BANK OF LAYTON	2	\$ 115,500
AMER BANK OF COMM. D/B/A AMBANK	14	\$ 13,574,000
AMER UNITED FAMILY OF C.U.S	1	\$ 600,000
AMERICA FIRST FCU	19	\$ 717,000
AMERICANWEST BANK	6	\$ 1,778,000
BANCFIRST	1	\$ 208,000
BANK OF AMERICAN FORK	17	\$ 9,173,100
BANK OF THE WEST	6	\$ 2,249,800
BANK OF UTAH	1	\$ 25,000
BRIGHTON BANK	5	\$ 895,200
CACHE VALLEY BANK	23	\$ 1,708,400
CAPITAL COMMUNITY BANK	1	\$ 1,230,200
CELTIC BANK CORPORATION	63	\$ 42,791,900
CENTRAL BANK	31	\$ 4,522,900
COMMUNITY ECONOMIC DEVEL. CO. OF	1	\$ 302,000
CORNERSTONEBANK	2	\$ 2,792,000
CYPRUS FCU	2	\$ 57,500
DESERET FIRST FCU	4	\$ 220,800
FIRST COLORADO NATIONAL BANK	1	\$ 1,378,000
FIRST UTAH BANK	29	\$ 20,112,600
GLACIER BANK	6	\$ 1,257,600
GOLDEN PACIFIC BANK NATL ASSOC.	1	\$ 25,000
GOLDENWEST FCU	6	\$ 993,600
GRAND VALLEY BANK	3	\$ 475,000
GROW AMERICA FUND INC	1	\$ 165,000
HOLLADAY BANK & TRUST	2	\$ 278,200
JORDAN FCU	10	\$ 716,300
JPMORGAN CHASE BANK NATL ASSOC.	72	\$ 21,752,500
KEYBANK NATIONAL ASSOCIATION	23	\$ 4,330,500
LIBERTY BANK, INC.	1	\$ 170,000
LIVE OAK BANKING COMPANY	5	\$ 4,475,000
MEADOWS BANK	10	\$ 16,233,900
MOUNTAIN AMERICA FCU	117	\$ 19,583,200
MOUNTAIN W. SMALL BUS. FINANCE (COMM. ADV.)	9	\$ 1,317,600
MOUNTAIN W. SMALL BUS. FINANCE (504)	151	\$ 114,915,000
NOAH BANK	1	\$ 1,490,000
PROFICIO BANK	14	\$ 22,571,800
ROCK CANYON BANK	20	\$ 18,084,500
ROYAL BUSINESS BANK	1	\$ 1,612,500
SEACOAST COMMERCE BANK	6	\$ 3,120,500
SECURITY SERVICE FCU	1	\$ 373,500
SPIRIT OF TEXAS BANK, SSB	3	\$ 199,000
STATE BANK OF SOUTHERN UTAH	37	\$ 3,305,900
THE BANCORP BANK	1	\$ 543,600
TITAN BANK NATL ASSOCIATION	1	\$ 383,000
TOWN & COUNTRY BANK	11	\$ 8,656,500
U.S. BANK NATIONAL ASSOCIATION	73	\$ 25,399,200
UNITED MIDWEST SAVINGS BANK	1	\$ 1,994,900
UNIVERSITY FIRST FCU	29	\$ 1,974,800
UTAH CERT. DEVEL CO.	51	\$ 23,093,000
UTAH FIRST FCU	3	\$ 496,500
WASATCH PEAKS FCU	8	\$ 388,600
WASHINGTON TRUST BANK	1	\$ 150,000
WELLS FARGO BANK NATL ASSOCIATION	79	\$ 35,240,500
ZIONS FIRST NATIONAL BANK	265	\$ 39,902,700
Grand Total	1,252	\$ 480,121,300

Wasatch Venture Fund II, LLC

15 W. South Temple, Ste. 500
Salt Lake City, UT 84101
801-524-8936
Contact: Nick Efstratis
ryan@epicvc.com

Wasatch Venture Fund III, LLC

15 W. South Temple, Ste. 500
Salt Lake City, UT 84101
801-524-8939
Contact: Nick Efstratis
ryan@epicvc.com

Zions SBIC, LLC

15 W. South Temple, Ste. 500
Salt Lake City, UT 84101
801-524-8939
Contact Nick Efstratis
ryan@epicvc.com

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. No more than 500 employees, including affiliates;
3. Be a concern which is more than 50% directly owned and controlled by one or more individuals (who are citizens or permanent resident aliens of the United States), other small business concerns (each of which is more than 50% directly owned and controlled by individuals who are citizens or permanent resident aliens of the United States), or any combination of these;

4. Be a concern which is more than 50% owned by multiple venture capital operating companies, hedge funds, private equity firms, or any combination of these (for agencies electing to use the authority in 15 U.S.C. 638(dd)(1)); or
5. Be a joint venture in which each entity to the joint venture must meet the requirements set forth in paragraph (a)(1)(i) or (a)(1)(ii) of this section. A joint venture that includes one or more concerns that meet the requirements of paragraph (a)(1)(ii) of this section must comply with §121.705(b) concerning registration and proposal requirements.
6. No single venture capital operating company, hedge fund, or private equity firm may own more than 50% of the concern.
7. 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.
8. If an Employee Stock Ownership Plan owns all or part of the concern, each stock trustee and plan member is considered an owner.
9. If a trust owns all or part of the concern, each trustee and trust beneficiary is considered an owner.
10. Phase I awardees with multiple prior awards must meet the benchmark requirements for progress toward commercialization.

SBIR-Participating Agencies

Each year, Federal agencies with extramural research and development (R&D) budgets that exceed \$100 million are required to reserve 2.9% (FY 15) of the extramural research budget for SBIR awards to small businesses. These agencies designate R&D topics and accept proposals. Currently, eleven agencies participate in the SBIR program:

- 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:

- Located in the US
- Meet one of three definitions:
- Nonprofit college or university
- Domestic nonprofit research organization
- Federally funded R&D center (FFRDC)

STTR differs from SBIR in three important aspects:

1. The SBC and its partnering institution are required to

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- 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 0.40% (FY 15) of the extramural research budget for STTR awards to small businesses. These agencies designate R&D topics and accept proposals. Currently, five agencies participate in the STTR program:

- Department of Defense
- Department of Energy
- Department of Health and Human Services

- National Aeronautics and Space Administration
 - National Science Foundation
- For additional information visit www.sbir.gov.

SBA ONLINE: WEB-BASED TOOLS FOR BUSINESS OWNERS

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.”



Loan Programs for Businesses

Ways borrowers can use the money

(Information current as of 10/15/2014)

Program	Who Qualifies	Use of Proceeds	Maturity	Maximum Loan Amount	Structure	Benefits to Borrower
Basic 7(a)	For profit businesses that can meet SBA's size standards, nature of business, use of proceeds, credit elsewhere, and other miscellaneous eligibility factors.	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	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.	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 guaranteed portion combined cannot exceed \$3.75 million.	Term loans with one monthly payment of principal and interest (P&I). Borrower contribution required. Interest rate depends upon how lender applies for guaranty (see lender program chart). Cannot revolve, no balloon or call provisions.	Business can obtain financing not otherwise available, fixed maturity, available when collateral is limited. Can establish or re-affirm relationship with lender.
International Trade Loan (ITL)	Same as Basic 7(a), plus, business must be engaged or preparing to engage in exporting or be adversely affected by competition from imports.	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.	Same as Basic 7(a).	Same as Basic 7(a), but when borrower has both international trade and working capital loans guaranteed by the SBA, the limit to any one business is \$4 million.	Same as Basic 7(a).	Same as Basic 7(a). Plus, long-term financing for export-related fixed assets and working capital.
Export Working Capital Loan (EWCP)	Same as Basic 7(a). Plus, must be in business one year and engaged or preparing to engage in exporting.	Short-term working capital to cover the costs of filling export orders, including ability to support an Export Stand-By Letter of Credit.	Can be up to a maximum of 36 months but generally 12 months or less.	Gross loan amount \$5.0 million. SBA guaranteed portion \$4.5 million	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.	Provides U.S. exporters with a line of credit that can be separated from domestic operations line of credit. Can be used to finance 100% of the cost of filling export orders.
Seasonal CAPLines	Same as Basic 7(a). Plus, in business for at least one year and can demonstrate seasonal financing needs.	To finance the seasonal increases of accounts receivable, inventory and labor.	10 years	Same as Basic 7(a).	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	Provides opportunity for seasonal businesses to get seasonal financing not otherwise available.
Contract CAPLines	Same as Basic 7(a). Plus, will perform on contract or purchase order for some third-party buyer.	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).	10 years	Same as Basic 7(a).	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.	Provides opportunity for contractors and sub-contractors to get financing not otherwise available.
Builders CAPLines	Same as Basic 7(a). Plus, building/renovating residential or commercial structure for re-sale without knowing buyer at time of approval.	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.	Maximum of three years to disburse and build or renovate. Extension possible to accommodate sale.	Same as Basic 7(a).	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.	Provides opportunity for residential and commercial builders to get financing not otherwise available.

CAPITAL

Program	Who Qualifies	Use of Proceeds	Maturity	Maximum Loan Amount	Structure	Benefits to Borrower
Working Capital CAPLines	Same as Basic 7(a). Borrower should sell on credit and/or have inventory needing immediate replacement after the sale.	For short-term working capital and operating needs, including to finance export sales. Proceeds must not be used to pay delinquent withholding taxes or similar trust funds (state sales taxes, etc.) or for floor planning.	10 years	Same as Basic 7(a).	Structured with requirements for payment of principal tied to the businesses collection of payments from their clientele	Provides opportunity for businesses that sell on credit to get revolving financing not otherwise available.
Lender Structured Domestic Loan or Line of Credit	Businesses needing a line of credit to conduct credit in the USA.	Working capital	If revolving, seven-year maximum, including term out period.	\$350,000	Structure is established by individual lender. Lender must have SBA Express designation	Has availability for a line of credit to help with short-term cash needs of the business.
Lender structured Export Loan or Line of Credit	Businesses needing a line of credit to support exporting activity.	Working capital 70 percent of which is to be used to support exporting activities.	If revolving, seven-year maximum, including term out period.	\$500,000	Structure is established by individual lender. Lender must have Export Express designation	Has availability for a line of credit to help with short-term cash needs of the business.
Non-7(a) Programs						
504 Loan Program	For-profit businesses that can meet the SBA's size standards, nature of business, use of proceeds, credit elsewhere, and other miscellaneous factors.	Non-7(a) Programs 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 resources.	Based on the use of proceeds. Twenty years for real estate. Ten years for machinery and equipment.	The SBA portion of the financing can generally be up to \$5.0 million but may be up to \$5.5 million for manufacturing businesses or energy saving public policy goals.	Loans packaged by Certified Development Companies (CDC) and designed to finance up to 40 percent of a "project" ¹ 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.	Long-term Treasury fixed rates that are below market, low borrower contribution only 10 to 20 percent, full amortization with no call or balloon conditions.
Microloan Program	Same as Basic 7(a). Plus, nonprofit child-care businesses.	Same as Basic 7(a).	Shortest term possible, not to exceed six years.	Maximum \$50,000 to the small business at any given time.	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.	Direct loan from nonprofit intermediary lender, fixed-rate financing, can be very small loan amounts, and technical assistance is available.

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.



Lender's Programs Chart

Ways lenders can request guarantees

(Information current as of 10/04/2014)

Program Processing	Which Lenders Qualify	Types of Loans that can be Guaranteed	Maximum Allowable Interest Rates	Eligibility Analysis	Credit Analysis	Maximum Loan Amount
Standard Processing	Lenders that have an executed participation agreement with the SBA.	Basic 7(a). International Trade, Export Working Capital, all CAPLines.	Base rate is <i>Wall Street Journal</i> prime, or 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 loan is \$25,001 to \$50,000. Can be fixed or variable.	Lender completes eligibility questionnaire and SBA reviews eligibility during loan processing.	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 analysis.	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.
Certified Lender Program (CLP) Processing	Same as Standard 7(a). Plus, an executed CLP agreement.	Same as Standard 7(a) processing except no policy exceptions.	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a) except SBA reviews lender's analysis work, not a re-analysis.	Maximum loan \$5 million. Guaranty percentage same as Standard 7(a).
Preferred Lender Program (PLP) Processing	Same as Standard 7(a). Plus, an executed PLP agreement.	Same as Standard processing except restrictions on loans involving some types of debt refinancing.	Same as Standard 7(a).	Lender completes Eligibility Checklist (SBA Form 7).	Delegated to lender.	Maximum loan \$5 million. Guaranty percentage same as Standard 7(a).
SBA Express Processing	Same as Standard 7(a). Plus, an executed SBA Express agreement.	Basic 7(a) with restrictions on some types of debt refinancing. Plus, lender structured term and revolving loans.	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.	Lender completes SBA Form 1920 "Eligibility Information."	Delegated to lender.	Maximum loan \$350,000. Guaranty percentage 50 percent.
Export Express Processing	Same as Standard 7(a). Plus, an executed Export Express agreement.	Similar to export working capital loan and international trade loans which meet export related eligibility criteria.	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.	Lender completes SBA Form 1920 "Eligibility Information."	Delegated to lender.	Maximum loan \$500,000. Guaranty percentage range between 75 and 90 percent.
Community Advantage	Lenders that have an executed Community Advantage agreement.	Basic 7(a) except restrictions on some types of refinancing.	Prime + 6 percent.	Lenders complete SBA Form 1920 "Eligibility Information."	Similar to Standard 7(a) except credit factors to consider are more defined.	Maximum loan \$250,000. Guaranty percentage same as Standard 7(a).

* London InterBank Offered Rate

All SBA programs and services are extended to the public on a nondiscriminatory basis.

CAPITAL

Making the Most of SBA's Resource Partner Network

by Paula Panissidi, SBA's Director of Marketing

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.

CONTRACTING

Applying for Government Contracts



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

The 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/portal/content/101195. 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.

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,

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/. 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.

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

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.

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

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.

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 been 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 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.osha.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.

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

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

6. 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, is an online service operated by the federal government that announces available business opportunities. FedBizOpps helps identify the needs of federal agencies and available contracting opportunities.

To begin searching for contracting opportunities, go to www.fbo.gov.

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/ptap.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

SBA DISASTER ASSISTANCE

Knowing the Types of Assistance Available for Recovery



DISASTER ASSISTANCE

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 low-interest disaster loans to businesses of all sizes, private non-profit organizations, homeowners and renters 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 the 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 businesses of all sizes, private non-profit organizations, homeowners and renters. 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. 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.

The SBA may increase a loan up to 20 percent of the total amount of physical loss 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.

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.



She needed stylish, modest clothing. Now, she sells it to everyone.

The Utah Microenterprise Loan Fund (UMLF) makes loans of up to \$25,000 to start-up and existing entrepreneurs who do not have the money, collateral or credit history to qualify for a traditional loan. Over the past 20 years, we have helped start and/or grow over 870 businesses and disbursed over \$12.5 million.

For more information visit: www.umlif.com



Michaela Lawson,
Mika Rose

BUILDING BRIGHTER FUTURES THROUGH SMALL BUSINESS
www.umlif.com

DISASTER ASSISTANCE

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:

Bringing Fair Regulatory Enforcement to America's Small Businesses

The National Ombudsman has helped thousands of small businesses save time and money by resolving difficult regulatory compliance and enforcement issues. As part of President Obama's mandate to promote a level playing field for small business, we work directly with federal regulators to facilitate

practical and timely resolutions of Regulatory Enforcement Fairness (REF) matters impacting small businesses.

The National Ombudsman oversees fair enforcement of small business regulation by:

- Providing small business owners a confidential way to report and resolve federal REF problems, like excessive enforcement action or disproportionate fines
- Escalating small business concerns to federal agencies for fairness review & resolution
- Grading federal agencies on their small business policies and practices

Small businesses can connect with the National Ombudsman online at sba.gov/ombudsman, in-person, or through a national network of Regulatory Fairness Board Members. The National Ombudsman meets with small business owners around the country at listening sessions and regulatory fairness dialogues in all ten SBA Regions. These outreach events provide critical, real-time input from the small business community on REF issues impacting small business growth and help federal regulators better understand how government can best support small business success.

Regional Regulatory Fairness Boards in each of SBA's 10 regions promote regulatory fairness by alerting federal regulators to important REF issues such as unintended consequences of a new rule or regulation. These Boards, each made up of five small business owners, also help raise awareness in their communities about resources available to small businesses through the SBA and the National Ombudsman.

Every year, the National Ombudsman reports to Congress its findings on the impact of the policies and practices of every federal agency that touches small business.

To learn more about how the National Ombudsman can help your small business, or to confidentially report a REF issue, call 888-REG-FAIR (888-734-3247) or complete the simple one-page form at sba.gov/ombudsman/comment.



ADDITIONAL RESOURCES

Taking Care of Startup Logistics



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.

FICTITIOUS 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.

Division of Corporations & Commercial Code

Heber Wells Bldg.
160 E. 300 S.
Salt Lake City, UT 84114
801-530-4849
General: www.corporations.utah.gov

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.

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

TAXES

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

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

For Small Business Forms and Publications visit: www.irs.gov/businesses/small/article.html.

FEDERAL PAYROLL TAX (EIN NUMBERS)

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

You may apply for an EIN in various ways, one of which is to apply online at www.irs.gov/businesses/small/article/0,,id=102767,00.html. This is a free service offered by the Internal Revenue Service.

Call 800-829-1040 if you have questions. You should check with your state to determine if you need a state number or charter.

FEDERAL SELF-EMPLOYMENT TAX

Every employee must pay Social Security and Medicare 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 been taxing your products and now owe back taxes to the state. For information on sales tax issues, contact your state government. To register for a Sales and Use Tax License and a Withholding Tax Account for Utah, use Form TC-69, contact:

Utah State Tax Commission

210 N. 1950 West
Salt Lake City, UT 84134
801-297-2200
tax.utah.gov

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.

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) www.irs.gov/businesses/small/article/0,,id=176080,00.html 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

Federal Withholding

U.S. Internal Revenue Service
800-829-1040
www.irs.gov

Utah Department of Workforce Services

Downtown Metro Office
720 S. 200 East
Salt Lake City, UT 84111
801-526-9850

Clearfield Center
1290 E. 1450 South
Clearfield, UT 84015
866-435-7414

Provo Center
1550 N. 200 West
Provo, UT 84604
801-342-2600
<http://jobs.utah.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. Employers can obtain coverage from a private insurance company or from the Workers' Compensation Fund.

Utah Labor Commission

160 E. 300 South, 3rd Fl.
Salt Lake City, UT 84114-6610
801-530-6800

WORKPLACE DISABILITY PROGRAMS

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

U.S. CITIZENSHIP AND IMMIGRATION SERVICES

The Federal Immigration Reform and Control Act of 1986 requires employers to verify employment eligibility of new employees. The law obligates an employer to process Employment Eligibility Verification Form I-9. The U.S. Citizenship and Immigration Services Office of Business Liaison offers a selection of information bulletins and live assistance through the Employer Hotline. For forms call 800-870-3676, for the Employer Hotline call 800-357-2099.

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

USPTO Headquarters – Main Campus
Address: Madison Buildings (East & West)
600 Dulany St.
Alexandria, VA 22314
800-786-9199
www.uspto.gov/

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:

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.

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

101 Independence Ave. S.E.
Washington, DC 20559-6000
202-707-3000 - Information Line
www.copyright.gov

OTHER ASSISTANCE

OTHER SOURCES OF ASSISTANCE

There are many other programs and services available to assist and support entrepreneurs in their endeavors.

AAA FAIR CREDIT FOUNDATION

AAA Fair Credit Foundation (FCF) is an accredited 501(c)(3) nonprofit organization which administers the Utah Individual Development Account Network, a matched savings program for low-income working families. Savings are matched 3:1 up to a total of \$6,000 for small business start-up or capitalization. In addition, FCF provides financial counseling assistance, debt management and financial education programs to help consumers improve financial well-being and quality of life.

AAA FAIR CREDIT FOUNDATION

230 West 200 S., Ste. 3104
Salt Lake City, UT 84101
800-351-4195
www.faircredit.org

BETTER BUSINESS BUREAU (BBB)

Businesses may register with BBB to take advantage of the many services provided by BBB. BBB provides information on over 2.5 million organizations, including businesses and charities. Also, if you think that a company or charity has treated you unfairly, you can file a complaint online.

BETTER BUSINESS BUREAU (BBB)

5673 S. Redwood Rd., #22
Salt Lake City, UT 84123
801-892-6009 • 801-892-6002 Fax
www.utah.bbb.org

BUREAU OF ECONOMIC AND BUSINESS RESEARCH (BEBR)

BEBR is an applied research center in the David Eccles School of Business at the University of Utah. BEBR's mission is to conduct and support research related to the structure of the Utah economy, its resources and its potential for expansion. BEBR also analyzes the economic and demographic impacts of economic events and policy initiatives on local and regional economies, provides advice on economic issues and conducts regional economic analysis. BEBR interacts with both private and public entities, conducting independent studies and engaging in sponsored research.

BUREAU OF ECONOMIC AND BUSINESS RESEARCH

1645 E. Campus Center Dr., Rm. 401
Salt Lake City, UT 84112
801-581-6333
www.bebr.utah.edu

BUSINESS INFORMATION CENTER (BIC)

The BIC is another source of counseling and other services to assist entrepreneurs in planning their business, expanding an existing business, or venturing into new areas. The BIC has business resource libraries equipped with personal computer workstations, books, videos and reference

guides to assist in developing a business plan, promotional materials, office templates, financial statements and IRS tax forms and publications. Additionally, BIC clients can meet with business counselors from SCORE. A tax consultant is also available to discuss federal taxes.

BUSINESS INFORMATION CENTER

2036 Lincoln Ave., #105
Ogden, UT 84401
801-629-8613

ECONOMIC DEVELOPMENT CORPORATION OF UTAH (EDCU)

EDCU is a private, statewide, non-profit organization that assists companies who are considering Utah for a business location or expansion. EDCU is a one-stop source for the latest information about doing business in Utah.

ECONOMIC DEVELOPMENT CORPORATION OF UTAH (EDCU)

201 S. Main St., Ste. 2150
Salt Lake City, UT 84111
800-574-UTAH
www.edcutah.org

MILLER BUSINESS INNOVATION CENTER

The Innovation Center (IC) is an accelerator program for innovative enterprises seeking high growth. The IC houses progressive, small businesses in a commercial work environment where the infrastructure, business, educational and operational support meet the needs of entrepreneurs so they may establish long-term success. The IC is a 501(c)(3) non-profit organization operated under the auspices of Salt Lake Community College. Together, Larry H. Miller, a Utah entrepreneur, and Salt Lake Community College have built a center where entrepreneurs share valuable resources, educational know-how and community partnerships to leverage business opportunities. In turn, entrepreneurs contribute to Utah's economic development and job creation.

MILLER BUSINESS INNOVATION CENTER

9750 S. 300 West
Sandy, UT 84070
801-957-5279
www.slcc.edu/mbic

NATIONAL ASSOCIATION OF WOMEN BUSINESS OWNERS (NAWBO)

NAWBO is a dues-based national organization representing the interests of all women entrepreneurs in all industries. It currently has over 8,000 members in more than 80 chapters nationwide. NAWBO helps women forge connections with other women business owners to exchange ideas and opportunities, gain access to certification and procurement opportunities, and network with women representing every industry on a local and national level. NAWBO membership entitles you to attend conferences and seminars on the trends, regulations and new technologies that impact your business; participate in an integrated online community of women

business owners for special interest groups, vendor, or joint venture searches, and help forums; benefit from advocacy for business issues; enjoy access to research conducted by the Center for Women's Business Research; access a network of global business contacts in 35 countries; and use the national NAWBO online directory.

NAWBO SALT LAKE CHAPTER

801-487-4600
office@nawboslc.org
www.nawboslc.org

PETE SUAZO BUSINESS CENTER

The Center has a two-pronged mission in its effort to serve Utah's Hispanic and other underserved populations: (1) provide education on what is needed to start and run a successful business in the United States; and (2) serve as an access point for organizations, institutions and other existing entities that wish to offer their services to the underserved communities in this area. These services include business management counseling, business plan development, marketing and business loan services.

PETE SUAZO BUSINESS CENTER

960 W. 1700 South
Salt Lake City, UT 84104
801-521-1709 • 801-521-6085 Fax
www.petesuzocenter.org
info@petesuzocenter.org

SALT LAKE CITY CORPORATION

Salt Lake City has several programs and services to aid small businesses. For details, go to www.slccgov.com. One of the city's programs is the Small Business Revolving Loan Fund. The program is designed to stimulate business development and expansion, encourage private investment, promote economic development and enhance neighborhood vitality in the city by making low-interest loans available to businesses. These funds may be used for land, building, equipment, and working capital. The funds can be utilized obtained as direct loans, participation loans, subordinate financing and gap financing. For more information, contact:

SALT LAKE CITY CORPORATION

451 S. State St.
Salt Lake City, UT 84111
801-535-7704
www.slccgov.com

THE DOWNTOWN ALLIANCE

The Downtown Alliance is a non-profit organization created to foster business, community, and culture in the Central Business District (CBD). Established in 1991, the Alliance is comprised of more than 2,500 business and property owners in the CBD's 40-block area, which is bounded by North Temple, 500 West, 400 South and 200 East. The Alliance produces special events and targeted research to promote downtown Salt Lake City as the epicenter of commerce and culture in the Intermountain West. The programs are designed to bring

people into the city, thereby creating business opportunities for its shareholders, while the publications survey economic, cultural, and community development to help the Alliance lobby for downtown interests. For more information, contact:

THE DOWNTOWN ALLIANCE

175 E. 400 South, #600
Salt Lake City, UT 84111
801-359-5118 • 801-328-5098 Fax
info@downtownslc.org
www.downtownslc.org

U.S. DEPARTMENT OF AGRICULTURE (USDA) – RURAL DEVELOPMENT

Rural Business Cooperative Service (RBCS) Programs is an agency of USDA Rural Development emphasizing economic development in rural Utah by providing financial assistance to business projects. RBCS provides economic development and financial assistance through a variety of federal loan, loan guarantee, and grant programs. RBCS financial assistance is often leveraged with other public and commercial credit sources to multiply the impact of these programs. Priority is given to projects that support a diversified rural Utah economy and to businesses that create or save good quality jobs in rural Utah. Priority is also given to businesses benefiting the most rural and impoverished areas of Utah. RBCS has the following programs that provide financial assistance to rural businesses.

BUSINESS & INDUSTRY (B&I) GUARANTEED LOAN PROGRAM

Under this program, RBCS guarantees loans made by rural lenders to good quality businesses that support a diversified economic base and provide or save good quality jobs in rural areas. RBCS can offer an 80 percent guarantee on loan requests of \$5,000,000 or less; a 70 percent guarantee on loans between \$5,000,000 and \$10,000,000; and a 60 percent guarantee on loans between \$10,000,000 and \$25,000,000. B&I loans have longer maturities and lower interest rates than normal commercial loans. Rural areas for this program are communities with a population of less than 50,000, and not immediately adjacent to a community with a population of 50,000 or more. B&I requests are funded throughout the year as needed.

INTERMEDIARY RELENDING PROGRAM (IRP)

Under this program, RBCS lends seed capital funds to qualified intermediaries, which in turn provide loans to rural businesses. Qualified intermediaries may include public bodies, non-profit corporations, cooperatives, or federally recognized Indian tribes. Intermediaries can borrow a maximum of \$15 million in IRP loan funds in annual increments of up to \$750,000 at a low interest rate of 1 percent for a maximum term of 30 years.

OTHER ASSISTANCE

Intermediaries make loans up to \$250,000 to rural businesses. Rural areas for this program are communities with a population of less than 25,000, and not immediately adjacent to a community with a population of 25,000 or more. IRP requests are typically considered for funding on a quarterly basis.

RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM (REDLG)

Certain electric and telecommunications companies utilize the REDLG program to obtain a maximum \$200,000 grant to provide capital to establish a revolving loan program, or to obtain a maximum \$450,000, 0%, 10-year loan to assist a promising rural business. Eligible electric or telecommunications companies are: Dixie-Escalante Rural Electric Association (REA); Flowell Electric Association; Garkane Power Association; Moon Lake Electric Association; Beehive Telephone Company, Inc.; Central Utah Telephone, Inc.; Emery Telephone; and Uintah Basin Telephone Association. Rural areas for this program are typically communities with a population of less than 25,000, and not immediately adjacent to a community with a population of 25,000 or more. REDLG requests are typically considered for funding on a quarterly basis.

RURAL BUSINESS ENTERPRISE GRANT PROGRAM (RBEG)

Public bodies, private non-profit organizations and native American tribes utilize the RBEG program to obtain grant funding typically not exceeding \$100,000 for projects that benefit small and emerging businesses in rural areas. RBEG funds may benefit small and emerging rural businesses by providing technical assistance (business plans, feasibility studies, marketing studies, economic development training, etc.), purchasing machinery or equipment, constructing/improving buildings that will benefit multiple rural businesses, or providing capital to start or expand a revolving loan program. A small and emerging business is defined as a business with fewer than 50 new employees, and less than \$1,000,000 in gross revenues. Rural areas for this program are communities with a population of less than 50,000, and not immediately adjacent to a community with a population of 50,000 or more. RBEG requests are typically considered for funding in December and June of each year.

RURAL BUSINESS OPPORTUNITY GRANT PROGRAM (RBOG)

Public bodies, private non-profit organizations, cooperatives, and Native American tribes utilize the RBOG program to obtain technical assistance grant funding of up to \$50,000 for projects that benefit sustainable economic growth in economically depressed rural areas of Utah. Projects must have a measurable and reasonable chance of improving the

economic conditions of the depressed rural area. Eligible technical assistance activities include business plan development, feasibility studies, marketing studies, and economic development training. Rural areas for this program are communities with a population of less than 50,000, and not immediately adjacent to a community with a population of 50,000 or more. RBOG requests are typically considered for funding in December and June of each year.

VALUE-ADDED AGRICULTURAL PRODUCER GRANT PROGRAM (VADG)

VADG funds may be utilized by eligible independent producers of agricultural commodities, agricultural producer groups, farmer and rancher cooperatives, and majority-owned producer-based business ventures to plan or implement sales agricultural products into emerging markets. VADG awards are limited to 50% of project costs. VADG applicants must provide a minimum of 50% of project costs in non-federal matching funds, or eligible in-kind contributions. There is no rural area definition for this program. VADG requests are typically considered for funding in June of each year.

RURAL COOPERATIVE DEVELOPMENT GRANT PROGRAM (RCDG)

RCDG funds may be utilized by selected on-profit corporations or institutions of higher education to establish and operate centers for rural cooperative development which will facilitate the development of new rural cooperatives, value-added processing, and rural businesses that create or retain jobs in rural areas. RCDG awards are limited to 75 percent of project costs. The RCDG applicant must provide a minimum of 25 percent of project costs in non-federal matching funds, or eligible in-kind contributions. Rural areas for this program are communities with a population of less than 50,000, and not immediately adjacent to a community with a population of 50,000 or more. RCDG requests are typically considered for funding in June of each year.

RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENT GRANT

These grants may be utilized to purchase renewable energy systems and make energy improvements for agricultural producers and rural small businesses. Funding is available up to \$500,000 to purchase alternative energy systems (solar, wind, geothermal, anaerobic digester, etc.), or up to \$250,000 to make energy efficiency improvements to their existing operations. Grants are limited to 25% of eligible project costs. The applicant must provide a minimum 75% of project costs in non-federal matching funds. In-kind contributions cannot be considered toward matching funds. This program cannot be used to fund R&D projects, or

finance unproven technologies. Small businesses for this program must meet the Small Business Administration's size standards. Rural areas for this program are communities with a population of less than 50,000, and not immediately adjacent to a community with a population of 50,000 or more. Requests are typically considered for funding in May of each year.

RURAL COMMUNITY DEVELOPMENT INITIATIVE (RCDI)

Qualified intermediaries can obtain a minimum \$50,000 up to a maximum \$1,000,000 in matching RCDI grant assistance to increase the intermediary's capacity to provide economic development technical assistance to low-income community-based non-profit organizations, low-income community public entities, or federally recognized tribes for the purpose of developing economic projects in low income rural areas. RCDI grants are limited to 50 percent of project costs. The RCDI applicant must provide a minimum 50 percent of project costs in non-federal matching funds. In-kind contributions cannot be considered toward matching funds. Rural areas for this program are communities with a population of less than 50,000, and not immediately adjacent to a community with a population of 50,000 or more. Low-income communities must be at or below 80% of the state or national Median Household Income (MHI). Qualified inter-mediararies include private non-profit, public, or tribal organizations that provide financial and technical assistance to multiple recipients. Intermediaries must have been organized for a minimum of three years before applying for RCDI assistance. RCDI requests are typically considered for funding in May of each year. Contact RBCS personnel at the State Office for more information, current funding cycles, current funding levels, and application requirements on any RBCS program:

USDA RURAL DEVELOPMENT

125 S. State St., Rm. 4311
Salt Lake City, UT 84138
801-524-4321 • 801-524-4406 Fax
USDA Rural Development –
www.rurdev.usda.gov/ut
United States Department of Agriculture –
www.usda.gov

UTFC FINANCING SOLUTIONS LLC (UTFC)

UTFC is a Small Business Investment Company (SBIC) licensed by SBA. UTFC invests in small companies throughout the region by providing subordinated debt to start-up and growing businesses. UTFC is focused on information technology but invests in a wide range of companies from manufacturing to services. To ensure the long-term success of the companies it finances, UTFC monitors each company's progress and offers technical assistance in critical areas of business management. For more information, contact:

UTFC FINANCING SOLUTIONS LLC (UTFC)

515 South 700 E., Ste. 2A
Salt Lake City, UT 84102
801-741-4200 • 801-741-4249 Fax
info@utfc.biz
www.innoventures.com

UTAH BUSINESS LENDING CORPORATION

Utah Business Lending Corporation provides loans to rural Utah businesses through the United States Department of Agriculture and the Salt Lake County Revolving Loan Fund.

UTAH BUSINESS LENDING CORPORATION

1196 W. South Jordan Pkwy., Unit D-B
South Jordan, UT 84095
801-654-2213
www.utahbusinesslending.com

UTAH MANUFACTURING EXTENSION PARTNERSHIP (MEP)

MEP is a non-profit organization chartered with raising the level of competitiveness, performance and profitability of Utah's manufacturers. MEP leverages state and federal support, along with a network of Utah-based public and private resources, to assist in providing services to small manufacturers. With offices located throughout the state, MEP staff members provide both strategic and technical advice and assistance to local companies. MEP provides a complimentary strategic business assessment (the Discovery Process®) to help companies identify the five to ten most important issues affecting their bottom line. MEP services are available in the areas of lean manufacturing, sales and marketing, quality engineering and management, assessments and benchmarking, executive coaching, product development and improvement, strategic planning, project management, eBusiness strategies, supply chain management, process simulation and MRP software selection and implementation.

UTAH MEP @ UTAH VALLEY UNIVERSITY

800 W. University Pkwy., MS-212
Orem, UT 84058
801-863-8637
www.mep.org
info@mep.org

UTAH MICROENTERPRISE LOAN FUND (UMLF)

UMLF is a private, non-profit, community development financial institution (CDFI) whose mission is to provide financing and management support to entrepreneurs in start-up and existing firms that do not have access to traditional funding sources; especially those who are socially and economically disadvantaged. The UMLF makes loans of up to \$25,000 with a maximum term of five years. Interest rates range from prime plus 5%-7% and are fixed as of the date of the loan. Funds can be used to purchase equipment and inventory, working capital and refinancing of business credit card debt. The loan recipient must be located in: Box Elder, Davis,

OTHER ASSISTANCE

Morgan, Salt Lake, Summit, Tooele, Utah, Wasatch or Weber County. Coming soon to Cache and Rich counties! For more information, contact:

UTAH MICROENTERPRISE LOAN FUND

154 E. Ford Ave., #A
Salt Lake City, UT 84115
801-746-1180 • 801-746-1181 Fax
www.umlf.com

UTAH SAFETY COUNCIL

The mission of the Utah Safety Council is to promote safety and health by providing education, services, and products. A grant from the Utah Labor Commission allows the Council to offer several Small Business Occupational Safety Courses for only \$5.00 per person. Additionally, the Council is able to offer a 50% discount for the Advanced Safety Certificate training courses. The occupational safety course schedule is available online at the Council's website. The Council also offers a free Employee Safety Orientation Course in the Spanish Language. The Council is also able to offer the Safety Video Library with over 800 current titles available for loan. Several of these training videos are in Spanish. The Council is your complete resource for safety and health solutions.

UTAH SAFETY COUNCIL

1574 W. 1700 S., Ste. 2A
Salt Lake City, UT 84104
801-746-7233
safety@utahsafetycouncil.org
www.utahsafetycouncil.org

UTAH SUPPLIERS DEVELOPMENT COUNCIL (USDC)

The mission of USDC is to increase the purchase of goods and services by large companies and government entities from woman-owned, small-disadvantaged, minority-owned, HubZone, and veteran-owned companies. USDC large company members are purchasing specialists who assist small companies in contacting requesters in their firms. USDC holds monthly meetings where we do networking, training, and conferences. USDC is the only purchasing group in Utah dedicated to increasing the dollars spent by large companies and government agencies with small businesses, especially those owned by women and minority groups. For more information, contact:

UTAH SUPPLIERS DEVELOPMENT COUNCIL (USDC)

1901 E. S. Campus Dr., #151
Salt Lake City, UT 84112
801-581-7450 • 801-581-8609 Fax
www.usdcutah.com

UTAH TRANSIT AUTHORITY (UTA)

The Disadvantaged Business Enterprise (DBE) program has been the Department of Transportation's most important tool for promoting equal opportunity in federal transportation contracting since it was first signed into law by President Reagan in 1983. If you are a small business that is owned and controlled by minorities or women, and provides products or services

that could be utilized by a Highway, Transit or Airport agency, you should learn more about the DBE program. To become DBE certified, a company must meet the following criteria: (1) be at least 51 percent owned and controlled by minorities, women or other individuals who face economic obstacles in the marketplace; (2) have gross receipts not exceeding 22.41 million dollars, averaged over a three year period; (3) have owners whose personal net worth does not exceed 1.32 million dollars; and (4) must not exceed the size definition of a small business, according to SBA's size standards (NAICS codes). Certification as a DBE involves completion of an application with appropriate supporting documentation, and an on-site visit by a Utah Unified Certification Program (UUCP) official. Commonplace business documents including financial statements, tax returns and articles of incorporation are usually required. Additional information about the DBE program can be found at the following websites: (1) Utah Department of Transportation (UDOT) - www.udot.utah.gov/index.php?m=c&tid=198; (2) Utah Transit Authority (UTA) - <http://www.rideuta.com/mc/?page=DoingBusiness-DisadvantagedBusinessEnterprises>; and (3) Salt Lake City Department of Airports (SLCDA) - www.slcairport.com/31.asp.
Raymond Christy

DISADVANTAGED BUSINESS ENTERPRISE (DBE) LIAISON OFFICER

4501 S. 2700 W.
Salt Lake City, UT 84114-1520
801-965-4208
Contact: Judy Romrell
jromrell@utah.gov

VARIOUS COUNTY ECONOMIC DEVELOPMENT ORGANIZATIONS

There are associations throughout Utah that are organized to promote and support economic development in counties and other localities. Check with an association near you to see if it has programs or services that can help your small business. Wayne Brown Institute The Wayne Brown Institute offers entrepreneurs educational and training programs that transfer experience, knowledge, contacts and capital from the world's leading business and financial organizations to promising early-stage, technology-based companies.

WAYNE BROWN INSTITUTE

201 S. Main St., #800
Salt Lake City, UT 84110-2135
801-595-1141
www.venturecapital.org
info@venturecapital.org

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

The Governor's Office of Economic Development (GOED) was created in July 2005 based on Governor Huntsman's commitment to economic development. GOED is a state agency with two strategic business units: business development and tourism. The economic development charter for this office is to provide rich business

resources for the creation, growth and recruitment of companies and to increase tourism in Utah. The agency has programs in the following areas:

- Small Business Development Centers (SBDC)
 - Corporate recruitment
 - Incentive programs
 - Cluster Industries - Targeted high growth markets
 - Procurement Technical Assistance Center - Assistance for businesses who want to sell to governmental and military buyers
 - International Trade and Diplomacy Foreign trade assistance - South America, Asia and Europe
 - Centers of Excellence University Technology Commercialization
 - Tourism Cooperative Marketing Program for small travel business
 - Utah Film Commission Motion Picture Incentive Fund
- For more information and to access resources, contact them at:
60 E. South Temple, 3rd Fl.
Salt Lake City, UT 84111
801-538-8680 or 855-204-9046 Toll Free
801-538-8888 Fax
www.goed.utah.gov

UTAH SCIENCE TECHNOLOGY AND RESEARCH INITIATIVE (USTAR)

Utah Science Technology and Research Initiative (USTAR): Catalyzing technology development through innovative research at state-of-the-art research facilities and world class science, innovation and commercialization teams. Utah has always been at the forefront of scientific discovery and innovation. From Philo T. Farnsworth's invention of the television, to mapping the human genome, Utah's research universities continue to play a pivotal role in technology innovation and commercialization. Building on this heritage of innovation, the Utah State Legislature, with the strong endorsement of Utah's business community, passed an innovative, visionary and far-reaching bill, the Utah Science Technology and Research initiative (USTAR), to bolster Utah's high technology economy. The mission of USTAR is to promote and encourage local commercialization of discoveries and technologies emanating from the state's public research universities to regional applied technology centers, colleges, businesses, and entrepreneurs. This website serves as a resource compilation for growth companies, entrepreneurs, and inventors alike as well as an informational hotspot for breaking news on what's happening throughout Utah in technology development. Please visit our County specific database which contains a statewide listing of all service providers, business and entrepreneurial resources, consulting services and research university contacts by county. You will find an ever-expanding variety of online tools to support the vast needs of Utah innovators. Contact USTAR:

USTAR GOVERNING AUTHORITY EXECUTIVE OFFICE

60 E. South Temple, 3rd Fl.
Salt Lake City, UT 84111
801-538-8622 • 801-538-8881 Fax
Ustar@utah.gov

WORLD TRADE CENTER UTAH (WTCU)

The World Trade Center Utah guides Utah companies into profitable international markets. Together with our key international partners, the Governor's Office of Economic Development, and the U.S. Commercial Service, we offer essential services to Utah businesses including: Assessment: an initial analysis of each company's trade capabilities, challenges and opportunities
Connection: recommendations and referrals to the most relevant support services
Education: trade related seminars, events and courses to increase company expertise
WTCU publishes a free weekly email newsletter with articles and links of interest to internationalists and a state-wide international events calendar. To subscribe: www.wtcut.com/subscribe.html
Jump start your company's global success at: www.wtcut.com

AVENUE H

Avenue H is a way for small businesses in Utah to offer a convenient choice when looking to offer affordable health insurance to their employees. Employers simply contribute a set dollar amount for each eligible employee's health care, which makes it easier to manage the company budget. There is no contribution requirement, so employers can contribute any amount they can afford. Employees are then able to shop online at AvenueH.com in order to choose their preferred coverage from 74 medical plans offered by Arches, SelectHealth and UnitedHealthCare. For more information, contact:

AVENUE H

60 E. S. Temple, 3rd Fl.
Salt Lake City, UT 84111
855-850-2034
www.avenueh.com

Chambers of Commerce

Chambers of Commerce located throughout the state provides small businesses with information and assistance.

AMERICAN FORK

51 E. Main St.
American Fork, UT 84003
801-756-5110
chamber@afcity.net
www.afchamber.org

BEAR LAKE RENDEZVOUS

P.O. Box 55
Garden City, UT 84028
800-448-2327
www.bearlakechamber.com

BEAR RIVER VALLEY

150 S. Tremont St.
Tremonton, UT 84337-1636
435-257-7585
www.bearrivervalleychamber.com

OTHER ASSISTANCE

BEAVER VALLEY

P.O. Box 760
Beaver, UT 84713
888-848-5081
www.beaverutchamber.com
chamber@beaverutchamber.com

BRIAN HEAD

56 N. Hwy. 143
Brian Head, UT 84719
435-677-2810
www.brianheadchamber.com

BRIGHAM CITY AREA

6 N. Main
Brigham City, UT 84302
435-723-3931
www.bcareaeachamber.com

CACHE

160 N. Main St.
Logan, UT 84321
435-752-2161
www.cachechamber.com

CARBON COUNTY

81 North 200 E., #3
Price, UT 84501
435-637-2788
www.carboncountychamber.org

CEDAR CITY

77 N. Main St.
Cedar City, UT 84720
435-586-4484
www.cedarcitychamber.org

CHAMBER WEST

1241 W. Village Main Dr.
West Valley City, UT 84119
801-977-8755
www.chamberwest.org

DAVIS COUNTY/LAYTON

450 S. Simmons Wy., Ste. 220
Kaysville, UT 84037
801-593-2200
www.davischamberofcommerce.com/

DELTA AREA

80 North 200 W.
Delta, UT 84624
435-864-4316
www.deltautahchamber.com

DRAPER

1160 Pioneer Rd.
Draper, UT 84020
801-553-0928
www.draperchamber.com

DUCHESNE

500 E. Main
Duchesne, UT 84021
435-738-4598
www.uintahbasin.org

ESCALANTE

P.O. Box 175
Escalante, UT 84726
435-826-4810
www.escalante-cc.com

FILLMORE

460 N. Main St
Fillmore, UT 84631
435-743-7803
www.fillmoreutahchamber.com

HEBER VALLEY

475 N. Main
Heber City, UT 84032
435-564-3666
www.hebervalleybusiness.com

HURRICANE

63 South 100 W., Ste. 119
Hurricane, UT 84737
435-635-3402 • 435-635-3402 Fax
www.hvchamber.com

KANAB

P.O. Box 534
Kanab, UT 84741
435-644-5033
www.kanabchamber.com

LATIN AMERICAN

1405 S. Main St.
SLC, UT 84115
801-649-5465
www.laccutah.org

LEHI

235 E. State St.
Lehi, UT 84043
801-836-0836
www.lehiareachamber.com

MAGNA

8952 W. 2700 South
Magna, UT 84044
801-250-5690
www.magnachamber.org

MOAB AREA

217 E. Center St., #250
Moab, UT 84532
435-259-7814 • 435-259-8519 Fax
www.moabchamber.com
info@moabchamber.com

MONTICELLO

P.O. Box 217
Monticello, UT 84535
435-459-9700
Info@monticelloutahcoc.com
www.monticelloutahchamber.com

MURRAY

5250 S. Commerce Dr
Murray, UT 84107
801-263-2632
www.murraychamber.net

OGDEN/WEBER CoC

2484 Washington Blvd., Ste. 400
Ogden, UT 84401
801-621-8300
www.ogdenweberchamber.com

PANGUITCH

City Office 25 S. 200 E.
435-676-8585
www.panguitch.org

PARK CITY

1850 Sidewinder Dr.
Park City, UT 84060
435-649-6100
www.visitparkcity.com

PAYSON

814 S. 1050 W./P.O.Box 176
Payson, UT 84651
801-465-2634
www.paysoncitychamber.com

PLEASANT GROVE/LINDON

70 South 100 E.
Pleasant Grove, UT 84062
801-922-4555
Info@plgrovechamber.org
www.plgrovechamber.org

UTAH VALLEY CHAMBER OF COMMERCE

111 S. University Ave.
Provo, UT 84601
801-851-2555
www.thechamber.org
info@thechamber.org

RICHFIELD

250 N. Main St.
Richfield, UT 84701
435-896-4241
www.richfieldareachamber.com

ST. GEORGE

97 E. St. George Blvd.
St. George, UT 84770
435-628-1658
www.stgeorgechamber.com

SALT LAKE CITY

175 E. 400 S., Ste. 600
Salt Lake City, UT 84111
801-364-3631
www.slchamber.com

SANDY

9350 South 150 E., Ste. 580
Sandy, UT 84070
801-566-0344
www.sandychamber.com

SOUTH JORDAN

1644 W. Towne Center Dr.
South Jordan, UT 84095
801-253-5200 • 801-253-5201 Fax
www.southjordanchamber.org

SOUTH SALT LAKE

220 E. Morris Ave., #150
South Salt Lake City, UT 84115
801-466-3377
www.sslchamber.com

SOUTHWEST VALLEY

4168 W. 12600 South
Riverton, UT 84065
801-280-0595 • 801-316-6706 Fax
www.svwchamber.org

SPANISH FORK

40 S. Main
Spanish Fork, UT 84660
801-798-8352
www.spanishforkchamber.com

SPRINGVILLE

110 S. Main St
Springville, UT 84663
801-491-7830
www.springvilleutahchamber.org

TOOELE COUNTY

154 S. Main St.
Tooele, UT 84074
435-882-0690 • 435-833-0946 Fax
www.tooelechamber.com

UTAH HISPANIC

1635 S. Redwood Rd.
Salt Lake City, UT 84104
801-532-3308
www.utahhcc.com

VERNAL AREA

134 W. Main
Vernal, UT 84078
435-789-1352 • 435-789-1355 Fax
www.vernalchamber.com

WEST JORDAN

8000 S. Redwood Rd.
West Jordan, UT 84088
801-569-5151 • 801-569-5153 Fax
www.westjordanchamber.com

Economic Development Organizations

BEAVER COUNTY ECONOMIC DEVELOPMENT

105 E. Center St./P.O. Box 789
Beaver, UT 84713
435-438-6490
smalbrecht@beaver.utah.gov
www.beaver.utah.gov

BOX ELDER COUNTY ECONOMIC DEVELOPMENT

1 S. Main St., #30
Brigham City, UT 84302
435-734-3397
www.boxelder.org

CACHE COUNTY CACHE CHAMBER OF COMMERCE

160 N. Main St.
Logan, UT 84321
435-752-2161
www.cachechamber.com

CARBON ECONOMIC DEVELOPMENT

120 E. Main St.
Price, UT 84501
435-636-3295
www.carbon.utah.gov/econdev

DAGGETT COUNTY ECONOMIC DEVELOPMENT

95 North 1st W.
Manila, UT 84046
435-784-3218
www.daggettcounty.org

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On the Cover: **A PASSION FOR FASHION + E COMMERCE = SUCCESS**

Early SBA-Backed Investment and Business Advice Sets Brandywine Valley Fashionistas up to Take the Fashion World by Storm

Like most teenage girls attending high school, best friends Amy Trelenberg and Megan Healy loved to shop for new clothes. Unlike most of their peers, they dreamed of owning their own store filled with trendy and affordable clothes. As adults, they actually opened the shop of their dreams. All with the help of the SBA...And a little patience.

Throughout college, Trelenberg and Healy maintained their friendship and their shopping habit. They continued to shop together and still dreamed of owning a boutique. Healy majored in merchandising management and Trelenberg studied accounting, setting the stage for a very fashionable entrepreneurial future. Together, they crafted a business plan around their childhood concept of a trendy, fashionable and affordable retail store.

Determined to bring Brandywine Valley fashion sense center stage, Trelenberg and Healy turned to the SBA and SBA Women's Business Representative Arlene Brex—herself a veteran of the fashion world, having owned designer fashion stores in Seattle and Portland for 12 years. After a series of business counseling sessions with Brex, Trelenberg and Healy restructured their business plan. They would break into the fashion marketplace as an e-commerce business with a supplemental 'traveling boutique' business hosting spectacular fashion showcase parties in private venues across the Brandywine Valley. Thus, Shopmamiе—Trelenberg and Healy's fashion enterprise bearing a fused version of their names, Megan and Amy—was born in 2008.

Success created new concerns, including inventory maintenance and cash flow. Sales were strong, and their first show resulted in nearly a complete sellout of their inventory. Revisiting the SBA, Trelenberg and Healy secured a SBA guaranteed loan through a local lender to increase inventory and expand online marketing. Additionally, they received technical assistance and counseling from Paul Kalicky of the local SCORE chapter. So successful were these adjustments to the Mamie Girls, as they are now known, that a brick-and-mortar shop was now in sight and, in Fall 2013, Trelenberg and Healy opened the doors of their shop and never looked back. Since opening, the shop has seen record foot traffic and record sales.



Today, along with their own private clothing line and brisk online sales, Trelenberg and Healy call their shop a success, and are looking to open a second retail location in the Brandywine Valley. They say "the entire process of starting Shopmamiе.com has been a little surreal, a little crazy at times, and definitely hard work. It's been scary, challenging, and demanding, albeit incredibly rewarding. We have impressed ourselves each step of the way, trusting and believing in our dream, and at the end of the day, we look at each other and realize...we love what we do."

