

2015-2016

# RESOURCE GUIDE *for* SMALL BUSINESS

U.S. Small Business Administration • Sacramento Edition

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Poised for  
Growth  
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SMALL BUSINESS

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*On the Cover: Kyong Tremblay and her daughter Stephanie Horn working together at the family business, Horn Jewlers. See story on inside back cover.*



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## FROM THE ADMINISTRATOR



# Take Your Business to the Next Level

At the SBA, one of our core missions is to provide access to capital in an inclusive manner. But that's not the end of our commitment to America's small business owners; it's only the start.

We know small businesses need reliable lending to grow, but we also know how important it is to provide information regarding business fundamentals, regulatory compliance, capital management, public contract bidding, exporting and networking to create new opportunities and new customers.

Two of three graduates of the SBA's **Emerging Leaders** program go on to increase their revenue; three out of four make new hires and nearly half secure government contracts. I'll never forget meeting the head of a public utilities company when I was a banker in Los Angeles. His company was committed to working with more underserved businesses and he told me he had a strong preference to contract with companies whose executives had been through programs like this one. He said Emerging Leaders are more sophisticated. They speak the language of business and know how to run sound operations and how to problem-solve. Learn more about this program in the Counseling section of this guide.

The SBA is also focused on the unique opportunities presented by international commerce. Over the next decade, one billion consumers are going to join the global middle class. The SBA's **State Trade and Export Promotion (STEP) program** can help small businesses sell to them. We're also focused on helping more of our military veterans apply their military leadership skills to their dream of business ownership through **Boots to Business**.

Most of the job creation in our economy comes when small businesses get the counseling, capital and contracts they need to implement their expansion plans. This guide will give you fresh ideas about how the SBA can work with your small business to scale up and reach even greater heights.

Go to [www.sba.gov](http://www.sba.gov) to learn more about how the SBA can support your growth strategy. We look forward to working with you to help your business realize its full potential.

Warmest regards,

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*

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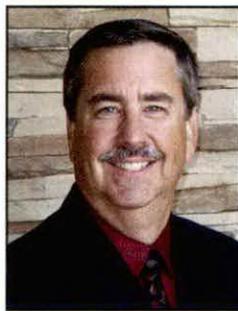
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# Rules For Success

*Like today's small businesses, large corporate success stories started with only an entrepreneur and a dream.*

**T**he Sacramento District Staff and our resource partners are proud to offer the latest version of the Small Business Resource Guide. We distribute 10,000 copies of this guide throughout our 21 county service area to community groups, government agencies, lenders and business owners. The guide is also available electronically at our web site: <http://www.sba.gov/about-offices-content/2/3100>.

As the economy continues to improve, I am seeing more and more opportunities for small businesses. But, as a small business in a growing economy, that means that you have to define your market and look for additional customers and do all you can to keep your existing customer base as competition increases. There is assistance available in the journey forward.

This Resource Guide is a "tool" to assist both potential and existing business owners by providing information and resources to help you be successful in your small business endeavors. Starting your own business is one of the most exciting things you can do. It often seems that you are alone, but there are many resources that are available to assist you and best of all these resources are free. Our primary resource partners are the North Eastern California Small Business Development Centers, SCORE, our two Women's Business Center in downtown Sacramento and Mount Shasta and our Veteran's Business Outreach Center located in Natomas. These organizations provide free one-on-one counseling and low cost training on pertinent subjects to assist you in starting and maintaining your business. You will also find additional resources throughout this guide including a list of local SBA lenders as well as other local and federal agencies ready and waiting to assist you.

A full complement of training courses and available counseling services are provided by our resource partners whether you are looking to get started in business, need financing, or are looking at exploring the possibility of contracting with a governmental agency. If you are one of those people that do well with online offerings, our main website [www.sba.gov](http://www.sba.gov) has a wealth of information and online classes that are self-paced and also free. Lastly the guide contains helpful information on basic business planning and the questions that you need to ask yourself so you can be an educated consumer of the available services for your small business.

As you take the time to learn more about entrepreneurship and the programs and services to assist you, remember SBA is there every step of the way. I hope that the information in this guide will open your eyes to some new tools to start, build or grow your small business. If you need further information, I encourage you to visit our website – <http://www.sba.gov/about-offices-content/2/3100> - or contact the Sacramento District Office at 916-735-1700. We look forward to working with you.

"I'm convinced that about half of what separates the successful entrepreneurs from the non-successful ones is pure perseverance."  
Steve Jobs

Sincerely,

**Joseph McClure**  
District Director of  
SBA's Sacramento District Office

# Doing Business in Northern California

## California SBA District Offices and Counties Served



### THE SACRAMENTO DISTRICT OFFICE

The Sacramento District Office is responsible for the delivery of SBA's many programs and services. The District Director is Joseph McClure. The District Office is located at 6501 Sylvan Rd., Citrus Heights, CA 95610. Office hours are from 8:00 AM until 4:30 PM, Monday through Friday. The office is closed on Federal holidays.

### CONTACTING THE SACRAMENTO DISTRICT OFFICE

For program and service information, please contact the Sacramento District Office at 916-735-1700.

### SERVICES AVAILABLE

Provide information on 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 a business, improving operations or expanding a small business through the SBA's Resource Partners: SCORE, Small Business Development Centers (SBDC), Veterans Business Outreach Center (VBOC), and the Women's Business Center (WBC). The SBA's Resource Partners also conduct training events throughout the district - some require a nominal registration fee.

Assistance with SBA small business certifications to include, the 8(a) Business Development Program, Historically Underutilized Business Zone (HUBZone), Service Disabled Veteran-Owned Small Business (SDVOSB), and the Woman-Owned Small Business (WOSB) Federal Contracting Program, and help with identifying contracting opportunities, developing marketing strategies and other business consulting.

A Women's Business Ownership Representative is available to assist women business owners. Please contact Gilda Perez at 916-735-1704 or [gilda.perez@sba.gov](mailto:gilda.perez@sba.gov).

Special loan programs are available for businesses involved in international trade. Please contact Jeffrey Deiss at 415-744-6820 or [jeffrey.deiss@sba.gov](mailto:jeffrey.deiss@sba.gov).

A Veterans Affairs Officer is available to assist veterans. Please contact James Aldea at 916-735-1707 or [james.aldea@sba.gov](mailto:james.aldea@sba.gov).

### Sacramento District Office

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### Fresno District Office

801 R St., Ste. 201  
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Toll free call 800-359-1833 then press 6  
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Imperial and San Diego Counties.

### San Francisco District Office

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### Santa Ana District Office

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Orange, Riverside and San Bernardino Counties.

### Los Angeles District Office

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## We Welcome Your Questions

For extra copies of this publication or questions please contact:

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Tel: 916-735-1700 Fax: 916-735-1719

Website: <http://www.sba.gov/ca/sacramento>

# The Making of an SBA “Gazelle”

by Paula Panissidi, SBA's Director of Marketing

Throughout the pages of this resource guide, you'll read about how SBA has resources, programs, and services for small business owners and aspiring entrepreneurs at every stage of the business life cycle. This is definitely true; from developing your business plan to helping you finance a new location to taking your product overseas, SBA is there for you. However, I'd be lying if I didn't say there was a special place in my heart for what we here at SBA Headquarters refer to as the “gazelles.”

Gazelles are animals that are known for being both graceful and quick, outrunning their predators and surviving under what are often very harsh conditions. It is exactly in that context that we use the term. Like the top students in school, SBA's “gazelles” are those businesses that you can just tell are destined for greatness. They have a certain quality that is intrinsic to their nature; it comes from within. They don't just want to coast by; they want to succeed. Life may deal them challenges, but they have the drive to survive. In a nutshell, SBA gazelles are hungry. They seek out and take advantage of every opportunity.

SBA gazelles are at a certain stage in their business life cycle. We call them “poised for growth,” and, while the potential to be a gazelle may be inherent, a small business owner that hones his or her skills through experience and training at this phase is much more likely to thrive. It is for this reason that SBA offers a number of training programs for small businesses in this stage of development, such as our Emerging Leaders Program and the 8(a) Business Development Program. Both programs are designed for small business owners with some experience under their belts and a desire, like the gazelle that swiftly and gracefully leaps to safety, not just to survive but to thrive.

Earlier this year, I sat down with some of the graduates from the Baltimore and Washington, DC classes of the 2015 Emerging Leaders Program to hear about their experience and whether they would recommend the program to other small business owners like themselves. They were overwhelmingly positive about the program, and, though they admitted it was hard work, they highly recommended it to their peers. Visiting with them was invigorating and reminded me of all the great work we do in our district offices to help small businesses succeed. If you'd like to feel inspired, check out the video we made for small business owners who are considering applying for the program at [www.sba.gov/emergingleaders](http://www.sba.gov/emergingleaders).

The next several pages profile just a handful of the small businesses that have succeeded, in large part, due to the assistance they received from SBA. Lest anyone think from this article that we take credit for an SBA gazelle's success, we acknowledge that we play but a small role in a business' rise to becoming “the next household name.” We hope these stories both inspire and motivate you to pursue the path of entrepreneurship.

*For more information about the SBA Emerging Leaders Program, please visit [www.sba.gov/emergingleaders](http://www.sba.gov/emergingleaders).*

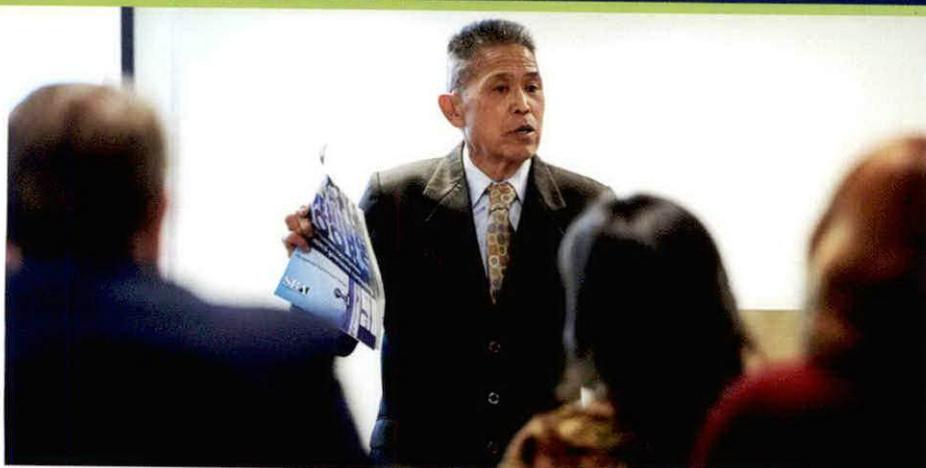
*For information on the 8(a) Business Development Program, see [www.sba.gov/8a](http://www.sba.gov/8a).*

*To find the location of your nearest SBA District Office, visit [www.sba.gov/tools/local-assistance](http://www.sba.gov/tools/local-assistance).*

# COUNSELING

Getting Help to Start, Market and Manage Your Business

COUNSELING



**E**very 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](http://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 over 300 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](http://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 1.2 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 300 chapters and multiple 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](http://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](http://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.

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sacinfo@scorevolunteer.org  
Counties Served: Sacramento, El Dorado, West Placer, Colusa, Sutter and Yuba.

**California's Centers for International Trade Development (CITD)**

California's Centers for International Trade Development (CITD) are funded by the state of California through the economic and workforce development division of the California Community Colleges. The network of CITD offices provides value-added assistance to businesses and entrepreneurs to increase their capacity to export or import.

The CITD network directly and through partnerships with state and federal agencies like the CDFIA, USCS, and Exim Bank, serves small & medium-size businesses and entrepreneurs in the state through trade missions, low-cost training, trade research, and limited free consulting.

**Chico CITD (hosted by Butte College)**

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**U.S. Department of Commerce**

The U.S. Commercial Service is the trade promotion arm of the U.S. Department of Commerce's International Trade Administration. Located across the United States and in U.S. Embassies and Consulates in nearly 80 countries, our global network of trade professionals connects U.S. companies with international buyers, providing them with market intelligence, trade counseling, business matchmaking, and advocacy/commercial diplomacy support.

Whether you are a U.S. company looking to make your first export sale or expand to additional markets, or an international company looking to purchase products/services from the United States or find additional U.S. suppliers, we offer the expertise you need to connect with lucrative opportunities.

We are your U.S. Government Global Business Partner specializing in customized international business solutions:

- World Market Research and Targeting



# SACRAMENTO COUNTY

**To enhance the vitality of our business community, Sacramento County offers valuable resources to help new and expanding companies thrive.**

Learn how to start a business in Sacramento County at [BusinessStartsHere.org](http://BusinessStartsHere.org).

For free and confidential advice about business and environmental regulations from consultants, contact the Business Environmental Resources Center at (916) 874-2100 or at [SacBERC.org](http://SacBERC.org).

For even more small business services, check out these:

- Business Licenses Applications and Information**  
[Finance.SacCounty.net](http://Finance.SacCounty.net) | (916) 874-6644
- Environmental Management Department Health and Safety Inspections and Training**  
[EMD.SacCounty.net](http://EMD.SacCounty.net) | (916) 875-8484
- Department of Human Assistance Employment Services, Subsidized Employment**  
[DHA.SacCounty.net](http://DHA.SacCounty.net) | (916) 874-3100
- Economic Development & Marketing Relocation and Expansion Services**  
[Economic.SacCounty.net](http://Economic.SacCounty.net) | (916) 874-5220

**SacCounty.net**

- International Sales Channel Development and Management
- Global Promotion and Advertising
- Export and Trade Finance
- Foreign Government Regulations
- International Documentary Requirements

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## 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](http://www.sba.gov/sbdc).

## SBDC ACCESS TO CAPITAL PROGRAM

The Northeastern California SBDC program bridges the gap between small businesses that are seeking access to capital and lenders who are looking for qualified borrowers. The NEC SBDC program has financial advisors that provide expert guidance to client businesses on how to get a small business loan. The NEC SBDC advisors assists business owners through confidential face-to-face meetings and distance advising.

NEC SBDC advisors help clients in the following ways:

- Assist clients to refine their business plan to be suitable for lenders
- Assist with client readiness assessment
- Provide detailed financial analysis and feedback
- Review client loan packages for small business loans
- Discuss and review a client's finance strategies
- Assist clients with lender relations

### Northeastern California SBDC at Butte College

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[kyork@sierrasbdc.com](mailto:kyork@sierrasbdc.com)  
[www.sierrasbdc.com](http://www.sierrasbdc.com)  
Lassen, Modoc, Nevada, Plumas, Sierra and the 530 areas of El Dorado and Placer Counties.

### Northeastern California SBDC at San Joaquin Delta College

San Joaquin Delta College  
Nate McBride, Director  
56 S. Lincoln St., 2nd Fl.  
Stockton, CA 95203-3100  
209-954-5089 • 209-939-0385 Fax  
<http://sbdc.deltacollege.edu>  
Counties Served: Alpine, Amador, Calaveras and San Joaquin.

### Northeastern California SBDC JEDI

Nancy Swift, Project Director  
205 Chestnut St.  
Mount Shasta, CA 96067  
530-926-6670  
[nswift@e-jedi.org](mailto:nswift@e-jedi.org)  
[www.e-jedi.org](http://www.e-jedi.org)  
Siskiyou County

## 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.

### Jeff Deiss

Regional Manager-Northern California  
Export Solutions Group  
SBA's Office of International Trade  
415-744-6820  
[jeff.deiss@sba.gov](mailto:jeff.deiss@sba.gov)  
[www.sba.gov/oit](http://www.sba.gov/oit)

## WOMEN'S BUSINESS CENTERS

The SBA's Women Business Center (WBC) program is a network of over 100 community-based centers that provide business training, counseling, coaching, mentoring and other assistance geared toward women, particularly those

who are socially and economically disadvantaged. WBCs are located in nearly every state and U.S. territory including the District of Columbia and the territories of Puerto Rico and American Samoa. They are partially funded through a cooperative agreement with the SBA.

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

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

While most WBCs are physically located in one designated location, a number of WBCs also provide courses and counseling via the Internet, mobile classrooms and satellite locations. WBCs have a track record of success. In fiscal year 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](http://www.sba.gov/wosb).

To find the nearest SBA WBC, visit [www.sba.gov/women](http://www.sba.gov/women).

### California Capital Financial Development Corporation

Women's Business Center  
1792 Tribute Rd., Ste. 270  
Sacramento, CA 95815  
916-442-1729 • 916-442-7852 Fax  
[www.sba.gov/women](http://www.sba.gov/women)  
[http://cacapital.org/womens\\_business\\_center/](http://cacapital.org/womens_business_center/)

### Jefferson Economic Development Institute

Women's Business Center  
205 Chestnut St./P.O. Box 1586  
Mt. Shasta, CA 96067  
888-926-6670 • 530-926-6676 Fax  
<http://www.e-jedi.org/index.html>

## 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 48 underserved communities across the country.

Over 3,000 businesses have participated and nearly 2,700 have graduated in Emerging Leaders since its inception. A study of Emerging Leaders past participants reported that:

- Nearly 70% obtained revenue growth
- Over 80% created new jobs or retained all
- Participants secured federal, state, local and tribal contracts awards over \$1 Billion
- 95% were satisfied with the Emerging Leaders program

Visit [www.sba.gov/emergingleaders](http://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](http://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](http://www.sba.gov/clusters).

### **Center For Small Business College Of Business Administration California State University, Sacramento**

Founded in 1969, the Center for Small Business (CSB) is one of the oldest and largest of its kind in the United States. During its 34-year history, the CSB has served more than 2,000 small businesses in the Greater Sacramento area.

The CSB offers, free technical management assistance in all areas of business other than taxation, law, and loan packaging, to small for-profit and not-for-profit organizations.

The services are provided by juniors, seniors, and graduate students under faculty supervision. These students are assigned to work with clients of the CSB as part of their coursework in various classes offered by the College of Business Administration.

Some organizations request assistance because they are experiencing difficulties, others simply want to have an outside review of their operations and strategies to ensure that they are doing things right, and still others need assistance in managing their rapid growth. Much of the work provided by the CSB focuses on assisting clients to develop business plans, design marketing strategies, and make adjustments in internal operations.

If you are interested in CSB services, please call the Center at 916-278-7278.

### **Business Information Center**

The Sacramento Works Career Centers (ADD) and the Sacramento County Department of Human Assistance (DHA) are affiliated with Sacramento Business Information Centers known as BICs. The BICs

are a one-stop source for technical assistance and information geared to help individuals start, operate and grow their businesses. There are six BICs in Sacramento County. Four are located at Sacramento Employment Training Agency (SETA) career centers.

Services include:

- Business information library
- Computers with business software
- One-on-one consultation with qualified professionals
- Videos
- Workshop/seminar topics:
- Bookkeeping/tax planning
- Budgeting
- Business financing and loan information
- Developing business plans
- Legal information
- Management skills
- Marketing techniques
- And much, much more!

### **California Capital Financial Development Corporation**

Women's Business Center/BIC  
1792 Tribute Rd., Ste. 270  
Sacramento, CA 95815  
916-442-1729 • 916-442-7852 Fax  
[www.sba.gov/women](http://www.sba.gov/women)  
[http://cacapital.org/womens\\_business\\_center/](http://cacapital.org/womens_business_center/)

### **Del Paso BIC**

925 Del Paso Blvd., Ste. 100  
Sacramento, CA 95815  
916-263-4652  
Contact: Gregory Williams  
Hours: By Appointment Only  
Sponsored by SETA

### **Hillsdale BIC**

5655 Hillsdale Blvd., Ste. 8  
Sacramento, CA 95842  
916-263-0656  
Contact: Laree Larose  
Hours: M-TH 8:30-4:30; F 9:00-Noon  
Sponsored by SETA

### **SACLead Foundation/BIC**

1541 River Park Dr., Ste. 209  
Sacramento, CA 95815  
916-437-4911  
[Info@saclead.com](mailto:Info@saclead.com)  
Contact: Edwin Carde / President  
Hrs: 9am - 4pm M-F  
Evenings & weekend by appointment only.

### **Stockton Blvd. BIC**

4990 Stockton Blvd.  
Sacramento, CA 95820  
916-875-3286 or 916-875-3280  
Contact: Oscar Garcia  
Hours: M-F 8:00-4:30  
SCORE counseling available Wed. & Thurs., by appt.  
<http://dhaweb.saccounty.net/businessServices/bic.htm>  
Sponsored by DHA

### **Opening Doors, Inc.**

Through its Prosperity Project, Opening Doors empowers underserved Sacramento area residents to increase their assets through microenterprise development and improved financial capability.

- SBA-Guaranteed Business Microloans up to \$50,000 accompanied by business counseling
- In conjunction with partners, business training and technical assistance
- Special program for refugees and asylees
- Skills-building, tools and support for getting control of personal finances
- Services available in English, Spanish, Russian, Arabic and French

### **Opening Doors, Inc.**

1111 Howe Ave., Ste. 125  
Sacramento, CA 95825  
916-492-2591 or 916-492-2008 Spanish  
916-492-2628 Fax  
Contact: Phyllis Guillory, Microenterprise Program Manager  
[www.openingdoorsinc.org](http://www.openingdoorsinc.org)  
[info@openingdoorsinc.org](mailto:info@openingdoorsinc.org)

## **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 13 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](http://www.sba.gov/moneysmart).

To learn more about the Financial Literacy and Education Commission, visit [www.mymoney.gov](http://www.mymoney.gov).

# REACHING UNDERSERVED COMMUNITIES

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

## ENCORE ENTREPRENEURS

With their range of life experiences and their tendency to have more disposable income, entrepreneurs age 50 and older are one of the fastest growing groups of business owners. 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, webinars, live workshops, conferences, and mentoring activities. For additional information, visit [www.sba.gov/encore](http://www.sba.gov/encore).

## FAITH-BASED AND COMMUNITY INITIATIVES

SBA’s Center for Faith-Based and Community Initiatives 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. For additional information, visit [www.sba.gov/faith-based](http://www.sba.gov/faith-based).

## LGBT BUSINESS OUTREACH INITIATIVE

The SBA’s groundbreaking outreach to the Lesbian, Gay, Bisexual and Transgendered (LGBT) community is for the first time bringing SBA resources directly to LGBT business owners. Recognizing the unique challenges faced by the nation’s 1.4 million LGBT-owned businesses,

the SBA has partnered with several national business advocacy organizations, including the National Gay and Lesbian Chamber of Commerce, to increase the use of SBA programs by LGBT owned businesses and to signal that the LGBT community is welcome in SBA’s 68 district offices.

The SBA is the nation’s leading advocate and champion for all entrepreneurs and is deeply committed to helping LGBT-owned small businesses launch, innovate, hire and grow. Across the country, our resource partners are providing LGBT entrepreneurs with game-changing business advice. For more information on LGBT business development, go to [www.sba.gov/LGBT](http://www.sba.gov/LGBT) or e-mail: [lgbt@sba.gov](mailto:lgbt@sba.gov).

## 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 the 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](http://www.sba.gov/naa) for more information.



## 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 (WBCs) 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.

WBCs serve a wide variety of geographic areas, population densities, and economic environments. Each WBC 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. For more information, visit [www.sba.gov/tools/local-assistance/wbc](http://www.sba.gov/tools/local-assistance/wbc).

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

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.

# SERVING THOSE WHO SERVED OUR COUNTRY

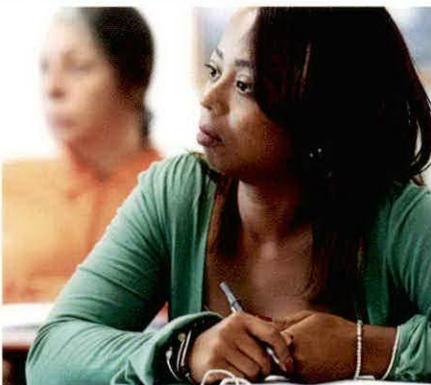
Each year SBA serves over 200,000 veterans, service disabled veterans and military spouses across the United States and at military installations around the globe. SBA provides training and mentorship, access to capital, preparation for opportunities in federal procurement, cultivating connections within commercial supply chains and disaster relief assistance. For more information on any of SBA's program for veterans, please visit [www.sba.gov/veterans](http://www.sba.gov/veterans).

SBA's Office of Veterans Business Development (OVBD) offers a number of programs and services to support aspiring and existing veteran entrepreneurs and military spouses of all eras, women veterans, and service disabled veterans. These programs, Boots to Business, Boots to Business: Reboot, Veteran Women Igniting the Spirit of Entrepreneurship (VWISE), and Entrepreneurship Bootcamp for Veterans with Disabilities (EBV), offer cutting edge, experiential training in entrepreneurship and small business management. These programs are developed to introduce transitioning service members, veterans, and military spouses, to entrepreneurship, exploring self-employment opportunities, and turning an idea into a growth venture. In addition, these programs also help to connect participants to SBA's local network of resource partners and establish a support structure for graduates.

## BOOTS TO BUSINESS AND BOOTS TO BUSINESS: REBOOT

Boots to Business and Boots to Business: Reboot both provide participants with an overview of business ownership as a career vocation, an orientation to the components of a business plan, a practical exercise in opportunity recognition, and an introduction to available public and private sector resources. However, the two programs are targeted to veterans, service members and their spouses at different life stages:

- Boots to Business: An entrepreneurial education program offered as an elective track within the Department of Defense's Transition Assistance Program (TAP), this course is open to service members (including members of the National Guard and Reserves) and their spouses. This course is



available on over 180 installations around the world.

- Boots to Business Reboot: An entrepreneurial education program offered in local communities around the nation, this course is open to veterans of all eras (including members of the National Guard and Reserves) and their spouses.

## VETERAN WOMEN IGNITING THE SPIRIT OF ENTREPRENEURSHIP (V-WISE)

Veteran Women Igniting the Spirit of Entrepreneurship (VWISE) is an entrepreneurial training program for female veterans of all service eras and branches with a passion for and interest in either starting a new small business or growing an existing one. VWISE enables female veterans to find their passion and learn business-savvy skills in order to turn their ideas or businesses into growth ventures while recognizing entrepreneurship as an important part of economic growth nationwide.

## ENTREPRENEURSHIP BOOTCAMP FOR VETERANS WITH DISABILITIES

Entrepreneurship Bootcamp for Veterans with Disabilities (EBV) offers experiential training in entrepreneurship and small business management. Training includes a 30-day online course, a nine-day residency at an EBV University and 12-months support from faculty experts. The curriculum focuses on practical training in the tools and skills of new venture creation and growth, reflecting issues unique to disability and public benefits programs. Graduates of EVB leave with a support structure

that helps them stay connected with resources and networks beneficial to their new endeavor. EVB is available to post-9/11 veterans and active duty service members with service-connected disabilities.

## VETERANS BUSINESS OUTREACH CENTERS (VBOCs)

The SBA Resource Partner Network extends its reach specifically to our veteran community through the Veterans Business Outreach Center (VBOC) Program. Through a cooperative agreement with 15 veteran-serving organizations across the country, SBA provides entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business. Services provided by VBOCs include: pre-business plan workshops, concept assessments, business plan preparations, comprehensive feasibility analysis, entrepreneurial training, one-on-one counseling, and other business-development related services. VBOCs also provide assistance and training in such areas as international trade, franchising, Internet marketing, accounting, etc.

### Veterans Business Outreach Center (VBOC)

Contact: Coreena Conley  
4608 Duckhorn Dr  
Sacramento, CA 95834  
916-527-8400  
[www.vbocix.org](http://www.vbocix.org)

## CONTINUITY OF OPERATIONS DURING DEPLOYMENT

SBA also connects veterans and military spouses to lenders that offer loan programs providing fee relief for eligible veterans and military spouses and offers special low-interest-rate financing to small businesses when an owner or essential employee is called to active duty. SBA's Veterans Advantage program provides fee relief for eligible veterans and military spouses and survivors. 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.

## ARE YOU RIGHT FOR SMALL BUSINESS OWNERSHIP?

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

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

### IS ENTREPRENEURSHIP FOR YOU?

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

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

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

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

Once you've answered 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](http://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.

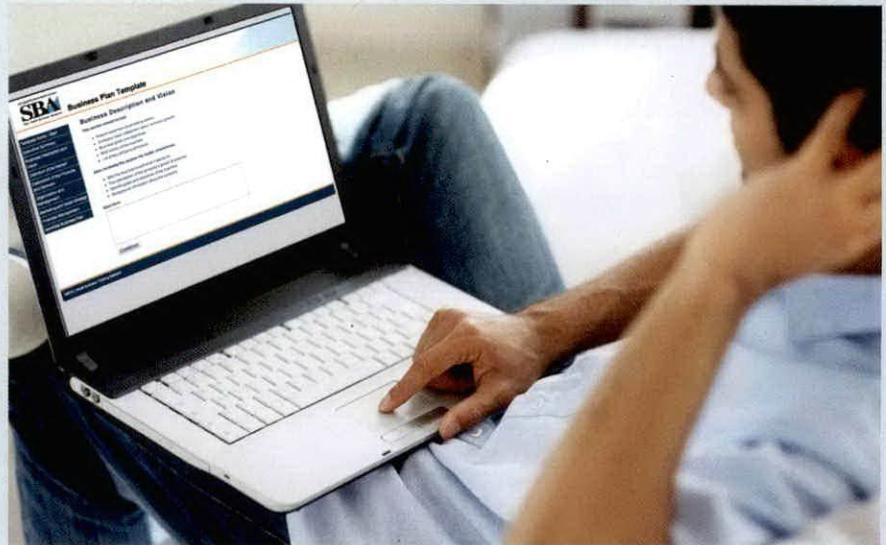
After you've thought about what type of business you want, the next step is to develop a business plan. Think of the business plan as a roadmap with milestones for the business. It begins as a pre-assessment tool to determine profitability and market share, and then expands as an in-business assessment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



**M**any 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.

For help locating a lender in your area, SBA has an online tool called LINC that matches small businesses with participating SBA lenders. LINC begins with a simple online form that requests basic information about your business and financing needs. That information is transmitted to all participating SBA lenders operating within your county. If a lender is interested, you will receive an email with the contact information for that lender. LINC can be accessed through SBA's website at <https://www.sba.gov/tools/linc>. Submitting an inquiry through LINC does not constitute a loan application but is instead a valuable tool to identify SBA lenders within your community. Once you have identified those lenders, you will apply directly to the lenders 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.

If no lenders respond to your inquiry through LINC or if you are unable to secure financing from the lenders that you have contacted, please contact your local SBA District Office for additional resources.

### 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 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



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- Equipment/Inventory purchase
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(916) 576-5679 [bmiller@firstus.org](mailto:bmiller@firstus.org)

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## 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

Three Years of 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), plus
- Interim Financial Statements dated within 180 days of the request for assistance

### How the 7(a) Program Works

Small Business applicant assembles their request for financing based on the intended purpose of the proposed loan and what documents the lender requires. A loan to help a moving company acquire a new truck will be less involved than a loan to acquire or start-up a business. The paperwork can be completed on either a business loan application provided by the lender or an SBA application, but using the SBA forms does not actually increase the change an applicant has in getting a business loan. The applicant then submits 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 selected lender be the one 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 lender says they need an SBA guaranty for approval. 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 processing methods are based on 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 SBA approves a guaranty they notify the lender who will work with the applicant to make sure the terms and conditions designed for the specific loan are met before closing. The lender also disburses the funds and assumes responsibility for collecting the payments 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.

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 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



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Borrower must meet all SAFE credit qualifications and SBA eligibility criteria, as applicable.

*We're big believers in small business.*



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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%.*

**Benefit For Veterans and/or Spouses:** Any guaranteed loans approved to businesses owned by Veterans of any era or their Spouses during fiscal year 2015 (October 1, 2014 through September 30, 2015 will receive the benefit of having its regular guaranty fee reduced by 50%, when the loan is over \$150,000 .

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

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Sacramento District Office  
Top 25 lenders 2014/2015**

Wells Fargo Bank Natl Assoc	154	\$47,482,100
U.s. Bank National Association	144	\$22,593,500
Jpmorgan Chase Bank Natl Assoc	66	\$10,665,700
Tri Counties Bank	36	\$6,044,100
Safe Cu	35	\$3,938,600
Plumas Bank	34	\$19,462,600
Mortgage Cap. Devel Corp	31	\$24,199,000
Seacoast Commerce Bank	28	\$20,189,200
Umpqua Bank	28	\$20,015,200
Golden Pacific Bank Natl Assoc	22	\$7,861,500
Greater Sacramento Cert. Devel	22	\$8,478,000
Live Oak Banking Company	20	\$15,030,000
Bank Of The West	18	\$10,409,600
Five Star Bank	18	\$6,492,500
Cdc Small Bus. Finan Corp	17	\$11,379,000
Cornerstone Community Bank	16	\$1,859,300
Compass Bank	12	\$7,536,000
First Community Bank	12	\$16,772,000
Bank Of America Natl Assoc	11	\$2,762,000
California Statewide Cert. Dev	11	\$6,632,000
Cdc Small Business Finance Cor	11	\$1,103,000
Celtic Bank Corporation	9	\$4,019,500
Central Valley Community Bank	9	\$818,000
Pacific Premier Bank	9	\$7,465,000

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. SBA does not require any collateral for any 7(a) guaranteed loan for \$25,000 or less but the lender can require collateral if they chose.

### 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](http://www.sba.gov/size).

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

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

There is an alternate size standard for businesses that do not qualify under their industry size standards for SBA funding. 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:

- Permanent Working Capital;
- Purchase Inventory;
- Expand or renovate facilities;
- Acquire machinery, equipment, furniture, fixtures and leasehold improvements;
- Acquire a business;
- Start a business;
- Acquire Land and Build a Location for the applicant business; and
- Refinance existing debt under certain conditions.

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### **SBA 7(a) loan proceeds cannot be used:**

- For the purpose of making investments.
- To provide funds to any of the owners of the business except for ordinary compensation for actual services provided.
- For Floor Plan Financing
- 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 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](http://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.

#### **Jeff Deiss**

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[www.sba.gov/oit](http://www.sba.gov/oit)

### **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.

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www.sba.gov/oit

### CAPLines

The CAPLines Program Is designed to help small businesses meet their short-term and cyclical working capital needs. The programs can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts, 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



**Affordable Rural Small Business Loans**

RCAC is a certified CDFI small business lender with a rural focus. We are a Community Advantage and USDA Business and Industry Guarantee lender. We provide working capital loans, lines of credit and long term loans to small businesses in the rural West. For more information, please contact Robert Longman, Credit Officer, at rlongman@rcac.org or (530) 692-9625.

Rural Community Assistance Corporation · www.rcac.org · (916) 447-2878

revolving. The loan maturity is usually based on the length of the contract, but no more than 10 years. Contract payments are generally sent directly to the lender but alternative structures are available.

- **The Seasonal Line of Credit Program** is used to support buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory. The business must have been in business for a period of 12 months and must have a definite established seasonal pattern. The loan may be used over again after a “clean-up” period of 30 days to finance activity for a new season. These loans also may have a maturity of up to five years. The business may not have another seasonal line of credit outstanding but may have other lines for non-seasonal working capital needs.
- **The Builders Line Program** provides financing for small contractors or developers to construct or rehabilitate residential or commercial property. Loan maturity is generally three years but can be extended up to five years, if necessary, to facilitate sale of the property. Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. The purchase of the land can be included if it does not exceed 20 percent of the loan proceeds. Up to 5 percent of the proceeds can be used for physical improvements that benefit the property.
- **The Working Capital Line Program** is a revolving line of credit (up to \$5,000,000) that provides short term working capital. These lines of credit 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 SBA Express or Export Express 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.

### Jeff Deiss

Regional Manager-Northern California  
Export Solutions Group  
SBA’s Office of International Trade  
415-744-6820  
jeff.deiss@sba.gov  
www.sba.gov/oit

## 7(a) LOAN PROCESSES FOR LENDERS

There are various ways a lender can 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 fundamental process available to all lenders who have signed up to

participate with SBA is called the Standard Loan Guaranty Process. 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 a request for guaranty have less requirements for SBA, so the time SBA take is less, but potentially more requirements or responsibilities for the lender. The determining factors on which one is 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. The SBA provides the lender with an immediate response. 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.

### 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 SBA Microloan Intermediaries. 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. The maximum loan amount is \$350,000.

Visit: [www.sba.gov/content/community-advantage-loans](http://www.sba.gov/content/community-advantage-loans) 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](http://www.sba.gov/504).

#### California Statewide Certified Dev. Corp.

Jeff Boone  
426 D St.  
Davis, CA 95616  
530-297-2140 • 530-231-0160 Fax  
[www.calstatewide.com](http://www.calstatewide.com)

#### Capital Funding

Ray Sebastian  
5428 Watt Ave., Ste. 200  
Sacramento, CA 95660-4945  
916-339-1096 • 916-339-2369 Fax  
[www.gsdc.com](http://www.gsdc.com)

#### Superior California Economic Development, Inc.

Robert Nash  
350 Hartnell Ave., Ste. A  
Redding, CA 96002  
530-225-2760 • 530-225-2769 Fax  
[www.scedd.org](http://www.scedd.org)

#### Success Capital

Marsha Carr  
1100 14th St., Ste. B  
Modesto, CA 95354  
209-521-9372 • 209-521-9373 Fax  
[www.successcapitalsba.com](http://www.successcapitalsba.com)

#### CDC Small Business Finance

Ed Ryan, 504  
Al Theil, Community Advantage  
1545 River Park Dr., Ste. 530  
Sacramento, CA 95815  
800-611-5170 or 916-565-8102  
[www.cdclloans.com](http://www.cdclloans.com)

## 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](http://www.sba.gov/microloans).

#### 3Core

Patty Hess  
3120 Cohasset Rd., Ste. 1  
Chico, CA 95973  
530-893-8732 ext. 203  
[www.3coreedc.org](http://www.3coreedc.org)

#### Opening Doors, Inc.

1111 Howe Ave., Ste. 125  
Sacramento, CA 95825  
916-492-2591 or 916-492-2008 Spanish  
916-492-2628 Fax  
[www.openingdoorsinc.org](http://www.openingdoorsinc.org)  
[info@openingdoorsinc.org](mailto:info@openingdoorsinc.org)

## Sierra Economic Development Corporation

560 Wall St., Ste. F  
Auburn, CA 95603  
530-823-4703  
Kelley Selvy  
www.sedcorp.biz

## STATE TRADE AND EXPORT PROMOTION (STEP) PROGRAM

The State Trade and Export Promotion (STEP) Program is a pilot export initiative to make matching-fund awards to states to assist small businesses enter and succeed in the international marketplace. Activities to support small business exporting under the STEP Program are provided to eligible small business concerns ("STEP Clients") located in states, territories, and the District of Columbia. For more information on the STEP program visit [www.sba.gov/internationaltrade](http://www.sba.gov/internationaltrade).

## 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 guarantee would be in the best interest of the Government.

SBA has two program components, the Prior Approval Program and the Preferred Surety Bond Program. In the Prior Approval Program, the SBA guarantees 90 percent of surety's paid losses and expenses on bonded contracts up to \$100,000, and on bonded contracts

greater than \$100,000 that are awarded to socially and economically disadvantaged concerns, HUBZone contractors, and veterans, and service-disabled veteran-owned small businesses. All other bonds guaranteed in the Prior Approval Program receive an 80 percent guarantee. Sureties must obtain the SBA's prior approval for each bond guarantee issued. Under the Preferred Program, the SBA guarantees 70 percent, and sureties may issue, monitor and service bonds without the SBA's prior approval.

Small businesses, surety companies, and bond agents are invited to visit our website at [www.sba.gov/osg](http://www.sba.gov/osg).

Participating agents and sureties may be found at [http://web.sba.gov/orasbgpub/dsp\\_welcome.cfm](http://web.sba.gov/orasbgpub/dsp_welcome.cfm).

The program office may be reached at 202-205-6540 or

### Tamara E. Murray

Underwriting Marketing Specialist  
Denver, CO  
303-927-3479

### Linda M. Laws

Underwriting Marketing Specialist  
Seattle, WA  
206-553-7317

## Alternative State Loan Program California Small Business Loan Guarantee Program

This state program, offered by the California Technology, Trade and Commerce Agency, assists small businesses that cannot qualify for bank loans or lines of credit under reasonable terms and conditions. Guarantees up to 90 percent of the amount, not to exceed \$350,000, are available to near bankable small businesses that can show they can repay. With a state guarantee, lenders often provide loans to these businesses.

Contact California Capital Financial Development Corporation, which issues the guarantees on behalf of the state at 916-442-1729 or write 2000 O Street, Suite 250, Sacramento, CA 95811.

## 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.

### Alpine Investors IV SBIC, LP

Tara Baker, Contact  
3 Embarcadero Center, Ste. 2330  
San Francisco, CA 94111  
415-591-1323 • 415-392-9101 Fax  
tbaker@alpine-investors.com  
<http://www.alpine-investors.com/>

### Avante Mezzanine Partners SBIC, L.P.

Clifford A. Lyon, Contact  
11150 Santa Monica Blvd., Ste. 1470  
Los Angeles, CA 90025  
310-667-9242 • 310-728-1755 Fax  
clyon@avantemezzanine.com  
<http://www.avantemezzanine.com/>

### Celerity Partners SBIC, L.P.

635 Bryant St.  
Palo Alto, CA  
650-327-1325  
<http://www.celeritypartners.com>

### Central Valley Fund II (SBIC), LP (The)

Edward F. McNulty  
1590 Drew Ave., Ste. 110  
Davis, CA 95618  
530-757-7004 • 530-757-1316 Fax  
emcnulty@centralvalleyfund.com  
<http://www.centralvalleyfund.com>

### Champlain Capital Partners, L.P.

Dennis M. Leary, Contact  
44 Montgomery St., Ste. 1920  
San Francisco, CA 94104  
415-661-2500 • 415-362-3211 Fax  
dleary@champlaincapital.com  
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### East Gate Private Equity Fund III, L.P.

Ken Choi, Contact  
5050 El Camino Real, Ste. 104  
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650-325-5077 • 650-325-5072 Fax  
bcbrant@eg-group.com  
<http://www.eg-group.com>

**Emergence Capital Partners SBIC, L.P.**

Gordon Ritter, Contact  
160 Bovet Rd., Ste. 300  
San Mateo, CA 94402  
650-573-3100 • 650-573-3119 Fax  
gritter@emcap.com  
http://www.emcap.com

**GCG SBIC Investors, L.P.**

582 Market St., Ste. 1117  
San Francisco, CA 94104  
415-288-0280 • 415-288-0284 Fax  
www.greyrockcapitalgroup.com

**Hercules Technology II, L.P.**

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Palo Alto, CA 94301  
650-289-3060 • 650-473-9194 Fax  
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http://www.htgc.com/

**Invision Capital I, L.P.**

26 Orange Blossom Cir., Ste. 26  
Ladera Ranch, CA 92694  
949-429-7707  
http://www.invisioncapitalgroup.com/

**Labrador Ventures V-B, L.P.**

Sean Foote, Contact  
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Menlo Park, CA 94025  
650-366-6000 • 650-366-6430 Fax  
lkubal@labrador.com  
www.labrador.com

**Levine Leichtman Capital Partners SBIC Fund, L.P.**

Steven E. Hartman, Contact  
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Beverly Hills, CA 90210  
310-275-5335 • 310-275-335 Fax  
shartman@llcp.com

**Montreux Equity Partners II SBIC, L.P.**

One Ferry Bldg., Ste. 255  
San Francisco, CA 94111  
650-234-1200 • 650-234-1250 Fax  
http://www.mepvc.com

**Outlook Ventures III, L.P.**

Carl Nichols, Contact  
3000-F Danville Blvd., #110  
Alamo, CA 94507  
415-547-0000 • 415-547-0010 Fax

**Rembrandt Venture Partners II, L.P.**

Gerald S. Casilli, Contact  
Rembrandt Venture Partners  
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San Francisco, CA 94111  
415-528-2900 • 415-528-2901 Fax  
jcasilli@rembrandtvc.com  
http://rembrandtvc.com/

**SAIL Venture Partners, L.P.**

Chuck Swanson, CFO & Contact  
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Irvine, CA 92612  
949-398-5100  
cswanson@sailcapital.com

**Shepherd Ventures II, L.P.**

George C. Kenney, Contact  
11696 Sorrento Valley Rd., Ste. 203  
San Diego, CA 92121  
858-509-4744 • 858-509-3662 Fax  
tom@shepherdventures.com  
http://shepherdventures.com

**St. Cloud Capital Partners, L.P.**

Robert Lautz, Managing Director  
10866 Wilshire Blvd., Ste. 1450  
Los Angeles, CA 90024  
310-475-2700 • 310-475-0550 Fax  
jhays@stcloudcapital.com  
www.stcloudcapital.com

# THE VALUE *of* HEALTHCARE

## Get your business check-up today!



### **SBA.gov/healthcare**

- Learn what the Affordable Care Act (ACA) means for you and your small business, with information about key pieces of the law based upon the size of your business

### **Healthcare.gov**

- Learn more about the new small business health insurance marketplaces, find coverage options for your employees and enroll in either your state or federal marketplace

### **BusinessUSA.gov/healthcare**

- This new site includes a search tool to direct you to ACA resources based on a business's location, size and current insurance offerings

For more information, visit the above resources or contact your local SBA District Office.

### Telegraph Hill Partners SBIC, L.P.

Robert G. Shepler, Contact  
360 Post St., Ste. 601  
San Francisco, CA 94108  
415-765-6980 • 415-765-6983 Fax  
rgs@thpartners.net  
http://thpartners.net/

### Ticonderoga SBIC, L.P.

258 Hamilton Ave., 3rd Fl.  
Palo Alto, CA 94301  
650-234-9593 • 650-234-9608 Fax

### Tregaron Opportunity Fund I, L.P.

Todd Collins, Contact  
300 Hamilton Ave., Ste. 400  
Palo Alto, CA 94301  
650-403-2080 • 650-618-2550 Fax  
collins@tregaroncapital.com  
http://www.tregaroncapital.com/

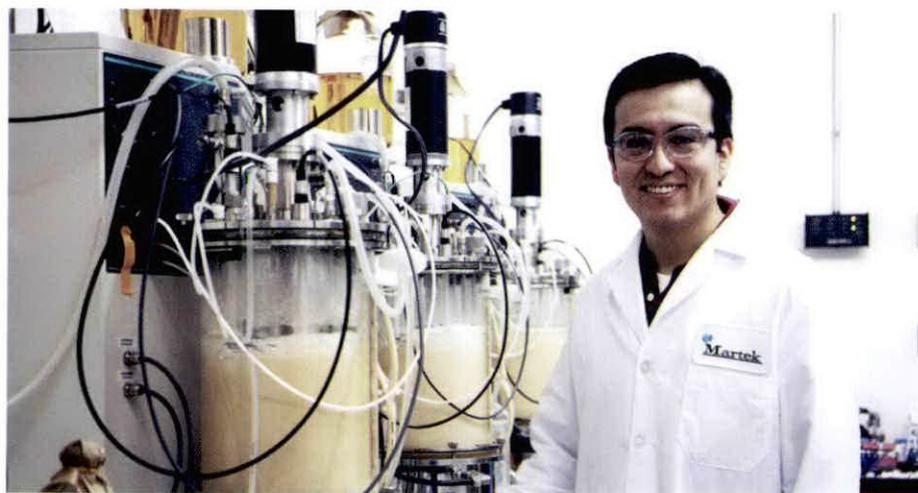
## THE SMALL BUSINESS INNOVATION RESEARCH PROGRAM

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](http://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 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](http://www.sbir.gov).

## 2015 SACRAMENTO DISTRICT SMALL BUSINESS WEEK AWARD WINNERS

Every year since 1963, the President has proclaimed National Small Business Week to recognize the contributions of small businesses to the economic well-being of America. Each year, the U.S. Small Business Administration recognizes the special impact made by outstanding Small Business Owners, and by Champions of America's Entrepreneurs. The SBA is seeking nominations in the categories listed below:

### NOMINATION CATEGORIES

Community/Rural Lender of the Year  
Contractor of the Year  
Family Owned Small Business of the Year  
Family Owned Small Business of the Year  
Financial Services Champion of the Year  
Sacramento District Lender of the Year  
SBDC Counselor of the Year  
SCORE Counselor of the Year  
Sacramento District Small Business Person of the Year  
Start-up Small Business of the Year  
Veteran Owned Small Business of the Year  
Woman Owned Small Business of the Year

To nominate a candidate and obtain more information about this program please contact Robin Yasso at 916-735-1701 or send an email to [robbin.vansteenberge@sba.gov](mailto:robbin.vansteenberge@sba.gov).

### We Proudly Present 2015 Sacramento District Small Business Week Award Winners

#### Sacramento District Small Business Person of the Year

Robb Moore  
IoSafe

#### Sacramento District Start-Up Business of the Year

Kimberly Haines  
Pampered Pet Salon & Boutique

#### Sacramento District SBDC Counselor

Bruce Pyle

#### Sacramento District Community/Rural Lender of the Year

Heather Luzzi  
Golden Pacific Bank

#### Sacramento District SCORE Counselor

Kenneth McCann

#### Sacramento District Woman-Owned Business of the Year

Tina Reynolds  
Uptown Studios

#### Sacramento District Contractor of the Year

George Whitmer  
Site Work Solutions

#### Sacramento District Veteran-Owned Business of the Year

Kenneth Baugh  
B & B Environmental Safety, Inc.

#### Sacramento District Family Owned Small Business of the Year

Dave Leatherby  
Leatherby's Family Creamery

#### Sacramento District Family Owned Small Business of the Year

Sonia Susac  
Tecma Company

#### Sacramento District Financial Services Champion of the Year

James Snider  
Five Star Bank

#### Sacramento District Lender of the Year

Henry Wirz  
SAFE Credit Union

# 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?

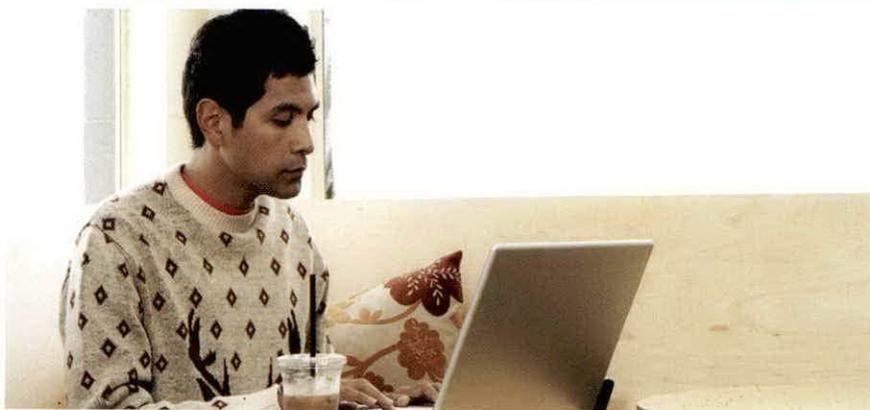
As part of its mission to help business owners start, succeed and grow, SBA, through the SBA.gov website has developed numerous online tools and guides to help small businesses get information and answers they need quickly and efficiently. For example, these **10 Steps to Starting a Business** and these **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. Find an SBA Lender through the Leveraging Information and Networks to access Capital (LINC) Tool**

The SBA extends financial assistance to for-profit small businesses through its lending partners, such as banks, certified development companies, and microloan intermediaries. For help locating a lending partner in your area, use SBA’s LINC tool that matches small businesses with SBA lenders. LINC begins with a simple online form that requests basic information about your business and financing needs. That information is transmitted to all participating SBA lenders



operating within your county. If a lender is interested, you will receive an email with the contact information for that lender. LINC can be accessed through SBA’s website at <https://www.sba.gov/tools/linc>.

### **2. 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.

### **3. 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.

### **4. 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.

### **5. 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.”

Program	Who Qualifies	Use of Proceeds	Maturity	Maximum Loan Amount	Structure	Benefits to Borrower
<b>Basic 7(a)</b>	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.
<b>International Trade Loan (ITL)</b>	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.
<b>Export Working Capital Loan (EWCP)</b>	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.
<b>Seasonal CAPLines</b>	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.
<b>Contract CAPLines</b>	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.
<b>Builders CAPLines</b>	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.

Program	Who Qualifies	Use of Proceeds	Maturity	Maximum Loan Amount	Structure	Benefits to Borrower
<b>Working Capital CAPLines</b>	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.
<b>SBA Express Lender Structured Loans or Lines of Credit</b>	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.
<b>Export Express Lender Structured Loans or Lines of Credit</b>	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						
<b>504 Loan Program</b>	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" <sup>1</sup> 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.
<b>Microloan Program</b>	Same as Basic 7(a). Plus, nonprofit child-care businesses.	Similar to Basic 7(a). Plus, start-up nonprofit child-care businesses	Shortest term possible, not to exceed six years.	\$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.

<sup>1</sup> "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 03/03/2015)

CAPITAL

Program Processing	Which Lenders Qualify	Types of Loans that can be Guaranteed	Maximum Allowable Interest Rates	Eligibility Analysis	Credit Analysis	Maximum Loan Amount
<b>Standard Processing</b>	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. <b>Plus</b> , 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.
<b>Certified Lender Program (CLP) Processing</b>	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).
<b>Preferred Lender Program (PLP) Processing</b>	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 Analysis.	Delegated to lender.	Maximum loan \$5 million. Guaranty percentage same as Standard 7(a).
<b>SBA Express Processing</b>	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.
<b>Export Express Processing</b>	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.
<b>Community Advantage</b>	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.

# 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 vehicles and cutting-edge scientific research, to paper clips and super computers. Every year, the federal government awards more than \$500 billion in contracts, and a significant share of those contracts are made specifically available for award to small businesses.

The Small Business Administration works with agencies to award at least 23 percent of all prime government contracts to small businesses, including specific statutory goals for small disadvantaged businesses (SDB) – 5%, businesses that are women-owned (WOSB) – 5% or service-disabled veteran-owned (SDVOSB) – 3%, and businesses that are located in historically underutilized business zones (HUBZone firms) – 3%.

The agency ensures that small businesses have access to long-lasting development opportunities, which means working with small businesses to help them to become and remain competitive, as well as encouraging federal agencies to award more contracts to small businesses. The SBA performs an advocacy function for small businesses through outreach programs, matchmaking events, and online

training opportunities. The agency works directly with individual Federal buying offices and large business government contractors to identify contracting opportunities for small businesses.

### HOW GOVERNMENT CONTRACTING WORKS

#### Sealed bidding vs. Negotiation

There are two primary competitive 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 (IFB) by a procuring agency. Under the sealed bidding method, a contract is awarded to the responsive and responsible bidder whose bid, conforms to the requirements of a solicitation (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 is awarded the contract.

#### Types of Contracts

Fixed-price contracts place the full responsibility for the costs and risk of loss on the contractor, and generally 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 plus a reasonable profit, 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 established but the hours are estimated), and although rarely used, letter contracts, which authorizes a contractor to begin work on an urgent requirement before all terms and conditions are finalized.

## Small Business Set-Asides

A “set-aside” for small businesses reserves an acquisition exclusively for small business competition. This includes requirements competed among 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. Generally, set asides are appropriate, or in some cases required, if the contracting officer has a reasonable expectation of receiving two or more offers from responsible concerns and award can be made at fair market prices. Some programs also have authority for sole awards (awards with competition) depending on the circumstances.

There are two ways in which set-asides can be determined. First, if an acquisition of goods or services has an anticipated dollar value above \$3,500 (micropurchase threshold), but not exceeding \$150,000 (simplified acquisition threshold (SAT), it is automatically reserved for small businesses. The acquisition will be set aside above the SAT only if the contracting officer determines there are two or more responsible small businesses that are competitive in terms of price, quality, and delivery, and an award can be made at a fair market price. Reasonable expectations of small business competition are based on market research including an evaluation of past acquisition history for an item or similar items. As part of market research, contracting officers may publish Sources Sought notices on the Federal Business Opportunities (FBO; [www.fbo.gov](http://www.fbo.gov)) website seeking firms for upcoming opportunities. Be sure to respond to these notices so you can be solicited for the requirements.

There are several exceptions and unique rules for specific kinds of small businesses and industries, so you should become familiar with the rules, which are contained in the Federal Acquisition Regulation (FAR). For small business set-asides for manufactured items, 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 the

product of any size concern regardless of the place of manufacture (but other laws such as the Buy American Act or Trade Agreements Act may apply). For service and construction requirements, the small business must perform set percentages of the work with its own employees (Limitations on Subcontracting), on set-aside requirements.

## Sole Source

Although competition is the preferred means of contracting, the SBA’s 8(a) Business Development Program (FAR subpart 19.8), HUBZone (subpart 19.13), Service Disabled Veteran-Owned Business (subpart 19.14) and Woman-Owned Small Business Programs (subpart 19.15) each have provisions allowing for sole-source awards, when applicable. A contracting officer must give equal consideration to firms in each of these Programs when considering an award.

## Subcontracting

Subcontracting opportunities are a great opportunity 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 with values over \$700,000 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](http://www.sba.gov/subnet/search/index.cfm) and through the General Services Administration (GSA) at [www.gsa.gov/portal/content/101195](http://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. The SBA has a cadre of Commercial Market Representatives (CMRs) who work closely with large prime contractors to maximize use of small businesses as subcontractors. They can also assist small businesses

with subcontracting matters. To find a CMR, go to: <https://www.sba.gov/content/cmr-directory>.

# 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. Federal agencies have a goal of awarding 3 percent of the total value of all prime contract and subcontract awards to small businesses that SBA has certified as HUBZone. The list of HUBZone small business can be located at [http://dsbs.sba.gov/dsbs/search/dsp\\_searchhubzone.cfm](http://dsbs.sba.gov/dsbs/search/dsp_searchhubzone.cfm). To qualify for the program, a business (except those that are tribally-owned) must meet the following criteria:

- Small Business by SBA size standards
- Owned and controlled at least 51 percent by U.S. citizens, or a Community Development Corporation (CDC), an agricultural cooperative, or an Indian tribe
- 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 applicants 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](http://www.sba.gov/hubzone).

## 8(a) BUSINESS DEVELOPMENT PROGRAM

The 8(a) program is an essential instrument for helping socially and economically disadvantaged entrepreneurs gain access to the economic mainstream of American society. The 9-year program helps thousands of aspiring entrepreneurs gain a foothold in government contracting. The program offers business development assistance that includes one-on-one training and counseling, training workshops, match-making opportunities with federal buyers and other management and technical guidance. 8(a) participants can receive sole-source contracts, up to a ceiling of \$4 million for goods and services and \$6.5 million for manufacturing. While we help 8(a) participants build their competitive and institutional know-how, we also encourage them to participate in competitive acquisitions to become viable firms that continue to grow after graduating from the program. 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 8(a) firms are 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:

- Small Business in the Primary NAICS;
- 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;
- Controlled, managed, and operated full-time by one or more individuals who qualify as disadvantaged, and;
- 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.

# WHAT YOU SHOULD KNOW ABOUT YOUR BUSINESS

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

### 1. Are you a small business?

Is your small business:

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

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

### 2. What is the size standard for your business?

Size standards are used to determine whether a business is small or "other than small." Size standards vary depending upon the industry. To determine the size standard for your business, you will need a North American Industry Classification code (NAICS). Every federal agency uses these codes when considering your business. To determine your NAICS code, go to [www.census.gov/eos/www/naics/](http://www.census.gov/eos/www/naics/). Some SBA programs require their own unique size standards. To find out more about these requirements and other size standard information, go to [www.sba.gov/size](http://www.sba.gov/size).

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 automatically 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

### 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 determine which Self-Certification programs for which you qualify to take advantage of contracting opportunities.

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. Such individuals have a net worth of less than \$250,000 (excluding primary residence and other exclusions).

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. Entity owned firms may receive sole source contracts without dollar limitation.

Each 8(a) firm is assigned a Business Opportunity Specialist at the nearest SBA District Office geographically near the business to coordinate the firm's business development assistance.

In addition, 8(a) participants may take advantage of specialized business training, counseling, marketing assistance, and high-level executive development provided by the SBA and our resource partners. 8(a) participants can also be eligible for assistance in obtaining access to surplus government property and supplies, SBA-guaranteed loans, and bonding assistance.

For additional information about applying for the SBA's 8(a) Program, visit [www.sba.gov/8a](http://www.sba.gov/8a).

## SMALL DISADVANTAGED BUSINESS

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

There is a federal government-wide goal of awarding at least 5 percent of prime contracting dollars to SDBs each year. Large prime contractors must also establish a 5 percent 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](http://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.

An SDVO SBC must be owned and controlled by one or more individuals with a service connected disability. 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](http://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 specified industries where it has been determined WOSBs and EDWOSBs are underrepresented. Commencing October 14, 2015, certain contract requirements can be awarded on a sole-source basis to WOSB and EDWOSB concerns in those specified industry categories.

To be eligible, a firm must be at least 51 percent owned or controlled by one or more women. The women must be U.S. citizens and the WOSB or EDWOSB must be "small" under its primary industry in accordance with SBA's size standards established for under the North American Industry Classification code assigned to that industry. To be deemed "economically disadvantaged" its owners must demonstrate economic disadvantage in accordance with the requirements set forth in the final rule. For additional information, visit [www.sba.gov/wosb](http://www.sba.gov/wosb).

Protests under the WOSB Federal Contract Program are also adjudicated 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.com](http://www.sam.com) for more information or by contacting Dun & Bradstreet at <http://fedgov.dnb.com/webform>.

## 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](http://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/](http://www.census.gov/eos/www/naics/) to find NAICS codes.

## 4. Register with the System for Award Management (SAM), formerly the Central Contractor Registration (CCR) - [www.sam.gov](http://www.sam.gov)

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. You must be registered in SAM in order to do business as a Federal contractor.

Register at [www.SAM.com](http://www.SAM.com). 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.

## 5. Submit an offer for a GSA Schedule Contract

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. Although their use is not generally mandatory, many Agencies and buying offices use GSA



schedules for their contracting needs. 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](http://www.gsa.gov/schedules).

## 6. 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.

## 7. 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.com](http://www.fbo.com).

## 8. 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.
- You should identify the PSC (Product Services Code) and/or a FSC (Federal Supply Classification), which describes your business. These codes provide additional information about the services and products your business offers.

## 9. Procurement Technical Assistance Centers (PTACs)

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

What can a PTAC do for you?

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

# GETTING STARTED IN CONTRACTING

- 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.

## California Capital Financial Development Corporation

Procurement Technical Assistance Center  
1792 Tribute Rd., Ste. 270  
Sacramento, CA 95815  
916-442-1729 • 916-442-7852 Fax  
[www.sba.gov/women](http://www.sba.gov/women)  
[http://cacapital.org/womens\\_business\\_center/](http://cacapital.org/womens_business_center/)

## ADDITIONAL PROCUREMENT RESOURCES

The following federal procurement resources may also be of assistance:

- **The Certificates of Competency (CoC) program** allows SBA to review 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](http://www.sba.gov/content/procurement-center-representatives).
- **SBDCs (Small Business Development Centers):** Like PTACs, SBDCs are important SBA Resource Partners which provide "hands-on" assistance to small businesses. To find an SBDC servicing your area, go to: <http://americassbdc.org/home/find-your-sbdc/>.
- **Department of Defense** (The DoD is the largest purchaser of goods from small businesses): [www.acq.osd.mil/osbp/](http://www.acq.osd.mil/osbp/)
- **Office of Federal Procurement Policy:** [www.whitehouse.gov/omb/procurement\\_default](http://www.whitehouse.gov/omb/procurement_default)
- **Acquisition Forecast:** [www.acquisition.gov/comp/procurement\\_forecasts/index.html](http://www.acquisition.gov/comp/procurement_forecasts/index.html)
- **Federal Supply Schedule (FSS):** [www.gsa.gov](http://www.gsa.gov)
- **Federal Procurement Data System (FPDS):** [https://www.fpds.gov/fpdsng\\_cms/index.php/en/](https://www.fpds.gov/fpdsng_cms/index.php/en/)



- **GSA Center for Acquisition Excellence:** [www.gsa.gov/portal/content/103487](http://www.gsa.gov/portal/content/103487)
- **Natural Resources Sales Assistance** The U.S. Small Business Administration (SBA) administers a Property Sales Assistance Program through its Office of Government Contracting. The Program includes; Royalty Oil, Strategic Materials from the National Stockpile, Leases involving rights to minerals; coal, oil and gas, Surplus Real & Personal Property Sales, and the U.S. Small Business Administration's Timber Sale Program. The SBA oversees timber sales by working in conjunction with the following agencies via Memorandums of Understanding (MOU): Department of Agriculture, Department of the Interior, Bureau of Land Management and Fish & Wildlife Service, Department for Defense, Department of Energy, and

the Tennessee Valley Authority. There are also directives governing the program in the Forest Service Handbook 2409.18, and 13 CFR (Code of Federal Regulations) section 121.501-512. Timber sales are not governed by the Federal Acquisition Regulation. SBA's Timber Program is administered via a Senior Representative located in SBA Headquarters, and 3 Industrial Specialists - Forestry (ISF) located in Atlanta, GA; Denver, CO; and Portland, OR. The ISF's monitor the 148 market areas that make-up the national parks, forests, and Federally-owned lands. Timber is regularly sold from Federal forests and other federally managed lands. SBA works with the Forest Service and other agencies to ensure opportunities exist for small businesses to bid on these Federal timber sales.

# SBA DISASTER ASSISTANCE

Knowing the Types of Assistance Available for Recovery



**T**he disaster program is SBA's largest direct loan program, and the only SBA program for entities other than small businesses. SBA is responsible for providing affordable, timely and accessible financial assistance to non-farm businesses of all sizes, private, nonprofit 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 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 nonprofit organizations of all sizes, 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 damages as verified by SBA to make improvements that protect the property from similar future disasters.

## Economic Injury Disaster Loans

Economic Injury Disaster Loans provide the necessary working capital after a declared disaster until normal operations resume. Small businesses, small agricultural cooperatives, small businesses engaged in aquaculture (fisheries, for example) and most private nonprofit organizations of all sizes are eligible for EIDL assistance, regardless of whether there was any physical

damage. The loan limit is \$2 million. The EIDL helps small businesses meet ordinary and necessary operating expenses as they recover from a disaster. The limit for physical and EIDL loans combined is \$2 million.

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

The SBA can only approve disaster loans to applicants having an acceptable credit history and repayment ability. The terms of each loan are established in accordance with each borrower's ability to repay. The law gives SBA several powerful tools to make disaster loans affordable: low-interest rates (around 4 percent), long-terms (up to 30 years), and refinancing of prior liens (in some cases). As required by law, the interest rate for each loan is based on



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.

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](http://www.sba.gov/disaster). Apply online using the Electronic Loan Application (ELA) via SBA's secure Website at: <https://disasterloan.sba.gov/ela>.

### Disaster Preparedness

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

And while SBA disaster loans go a long way toward revitalizing communities devastated by the economic fallout that follows disasters, with a

solid preparedness plan in place, your business will be able to recover sooner, possibly without taking on new debt.

Assessing your risks and needs are an important first step in developing your business continuity strategy. The American Red Cross' Ready Rating™ program ([www.readyrating.org](http://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](http://www.ready.gov)) — provides practical disaster preparedness tips and checklists for businesses, homeowners and renters. SBA has teamed up with Agility Recovery Solutions to offer business continuity strategies through the "PrepareMyBusiness" website ([www.preparemybusiness.org](http://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

# 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 courts. 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](http://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](http://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](http://sba.gov/ombudsman/comment).



# ADDITIONAL RESOURCES

## Taking Care of Startup Logistics



**E**ven 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.

#### Alpine County

Alpine County Treasurer 530-694-2286

#### Amador County

No license required in unincorporated area

#### Amador City

City Hall 209-267-0682

#### lone

City Hall 209-274-2412

#### Jackson

City Hall 209-223-1646

#### Plymouth

City Hall 209-245-6941

#### Sutter Creek

City of Sutter Creek 209-267-5647

#### Calaveras County

Calaveras County  
Tax Collector 209-754-6350

#### City of Angels

(Angels Camp & Altaville)  
City Clerk 209-736-2181

#### San Joaquin County

San Joaquin County  
Planning Department 209-468-2193

#### Escalon

Business License 209-838-4107

#### Lathrop

Finance Department 209-941-7320

#### Lodi

Finance Department 209-333-6717

#### Manteca

Finance Department 209-456-8730

#### Ripon

Business License Division 209-599-2108

#### Stockton

Finance Department 209-937-8460

#### Butte County

City of Chico  
Finance Department 530-879-7300

#### City of Oroville

Finance Department 530-538-2410

#### City of Biggs

City Clerk 530-868-0102

#### City of Gridley

Finance Office 530-846-5695

#### Town of Paradise

City Clerk 530-872-6291  
(No license required) ext. 101

#### Glenn County

City of Willows  
Recorder's Office 530-934-6412  
(No license required in unincorporated areas)

#### City of Orland

City Manager 530-865-1600

#### Tehama County

Clerk 530-527-3350

#### City of Red Bluff

City Hall 530-527-2605

#### City of Tehama

City Hall 530-384-1501

#### City of Corning

City Hall 530-824-7029

#### Sacramento

City of Sacramento  
City Hall 916-264-5011

#### County of Sacramento

Sacramento County  
Licensing Office 916-874-6644

#### City of Elk Grove

Business License 916-478-2211

#### Placer County

Tax Collector's Office 530-889-4120

#### Placer County Clerk Recorder

Fictitious Name Dept. 530-886-5600

#### Shasta County

City of Redding  
City Clerk 530-225-4056

#### City of Willows

City Hall 530-934-7041

#### City of Redding

City Clerk 530-225-4055

#### Yuba, Sutter, Colusa, Lake and Northern

#### Yolo Counties

Yuba City 530-822-4619  
Woodland 530-661-5820  
Live Oak 530-695-2112  
Wheatland 530-633-2761  
Colusa  
Licensing 530-458-5890  
Williams 530-473-2955  
Lakeport 707-263-5613  
Clearlake 707-994-8201

## 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-Businesses-&Self-Employed](http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed).

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-Businesses-&Self-Employed/Small-Business-Forms-and-Publications](http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Small-Business-Forms-and-Publications).

## FEDERAL PAYROLL TAX (EIN NUMBERS)

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

You may apply for an EIN in various ways, one of which is to apply online

at [www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Employer-ID-Numbers-EINs](http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Employer-ID-Numbers-EINs). 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](http://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.

## 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](http://www.irs.gov).

## VIRTUAL SMALL BUSINESS WORKSHOP

[www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Small-Business-Self-Employed-Virtual-Small-Business-Tax-Workshop](http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Small-Business-Self-Employed-Virtual-Small-Business-Tax-Workshop)

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](http://www.irs.gov/businesses/small/article/0,,id=101169,00.html) 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=101169,00.html](http://www.irs.gov/businesses/small/article/0,,id=101169,00.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](http://www.ssa.gov)

**Federal Withholding**  
U.S. Internal Revenue Service  
800-829-1040  
[www.irs.gov](http://www.irs.gov)

**Board of Equalization**  
800-400-7115  
[www.boe.ca.gov](http://www.boe.ca.gov)

## Social Security's Business Services Online

The Social Security Administration now provides free electronic services online at [www.socialsecurity.gov/employer/](http://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](http://www.irs.gov)

## Health Insurance

Compare plans in your area at [www.healthcare.gov](http://www.healthcare.gov).

## Employee Insurance

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

## California State Department of Industrial Relations

1515 Clay St., 17th Fl.  
Oakland, CA 94612  
[www.dir.ca.gov](http://www.dir.ca.gov)  
844-522-6734



**State Compensation Insurance Fund**  
2275 Gateway Oaks Dr., Ste. 100  
Sacramento, CA 95833  
Mail Address: P.O. Box 254700  
Sacramento, CA 95865  
888-782-8338  
www.statefundca.org

## WORKPLACE DISABILITY PROGRAMS

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

**Disability Insurance Claims:  
Employment Development Department**  
P.O. Box 826880-UIPCD, MIC 40  
Sacramento, CA 94280  
800-480-3287  
[http://www.edd.ca.gov/Disability/More\\_Disability\\_Insurance\\_Information.htm](http://www.edd.ca.gov/Disability/More_Disability_Insurance_Information.htm)

**Department of Fair Employment & Housing**  
2218 Kausen Dr., Ste. 100  
Elk Grove, CA 95758  
800-884-1684  
www.dfeh.ca.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](http://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](mailto:e-verify@dhs.gov)

## 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.

## 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](http://www.osha.gov).

**Wage and Hour Division (WHD)**  
2800 Cottage Way, Rm. W-1836  
Sacramento, CA 95825  
866-487-9243 or 916-978-6123  
[www.dol.gov/whd](http://www.dol.gov/whd)

**California Division of Labor Standards Enforcement (DLSE)**  
2031 Howe Ave., Ste. 100  
Sacramento, CA 95825  
916-263-1811  
[www.dir.ca.gov/letf/letf](http://www.dir.ca.gov/letf/letf)

**Disability Insurance Claims:  
Employment Development Department**  
645 Salem St.  
Chico, CA 95928  
800-514-0301 or 866-658-8846 Spanish  
www.edd.ca.gov  
www.ada.gov

**Equal Employment Opportunity  
Commission**  
San Francisco District Office  
350 Embarcadero, Ste. 500  
San Francisco, CA 94105  
415-625-5600 or 800-669-4000  
www.eeoc.gov

**BERC – Business Environmental Resource  
Center**  
3331 Peacekeeper Way, Ste. 200  
McClellan, CA 95652  
916-874-2100  
www.sacberc.org  
Promoting business success and enhancing  
environmental quality by providing a free  
technical resource center on behalf of local  
government.

**Sellers Permit  
State Board of Equalization**  
Sacramento Field Office  
3321 Power Inn Rd., Ste. 210  
Sacramento, CA 95826  
916-227-6700 or 800-400-7115  
www.boe.ca.gov

**Occupational Safety  
& Health Administration**  
1515 Clay St., Ste. 1901  
Oakland, CA 94612  
510-286-7000 • 510-286-7037 Fax  
800-321-6742 (OSHA)  
www.osha.gov

**OSHA Division of Occupational Safety  
and Health (DOSH)**  
2424 Arden Way, Ste. 165  
Sacramento, CA 95825  
916-263-2800  
www.dir.ca.gov/dosh

**U.S. EPA**  
www.epa.gov

**California EPA**  
1001 I St./P.O. Box 2815  
Sacramento, CA 95812  
916-323-2514  
www.calepa.ca.gov

**Sacramento Metropolitan Air  
Quality Management District**  
777 12th St., 3rd Fl.  
Sacramento, CA 95814-1908  
916-874-4800 or 800-880-9025  
www.airquality.org

**County and City Permits**  
Based on the type of business you  
plan to operate, you might be required  
to have a permit.

<b>Butte County</b> City of Oroville	530-538-2418
<b>Glenn County</b> Willows	530-934-6412
<b>Placer County</b> Auburn	530-886-3000
<b>Tehama County</b> Red Bluff	530-527-3350

### Zoning Requirement and Restrictions

Prior to determining a location for  
your business, you should contact the  
Planning Department.

**Planning Department**

<b>Butte County</b> Oroville	530-538-7601
<b>Glenn County</b> Willows	530-934-6540
<b>Placer County</b> Auburn	530-886-3000
<b>Tehama County</b> Red Bluff	530-527-2200

### 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:**  
Mailing Address:  
P.O. Box 1450  
Alexandria, VA 22313-1450  
800-786-9199  
www.uspto.gov/  
Physical Address:  
USPTO Headquarters-Main Campus Address  
Madison Building (East +West)  
600 Dulang St.  
Alexandria, VA 22314

**Trademark Information Hotline**  
703-308-9000

### STATE REGISTRATION OF A TRADEMARK

Trademarks and service marks may  
be registered in a state.

**Articles of Incorporation, Trademark  
Registration, Secretary of State**  
1500 11th St., 2nd Fl.  
Sacramento, CA 95814  
916-653-3984  
www.sos.ca.gov/business/ts

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

### Patents

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

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

**U.S. Patent and Trademark Office**  
800-786-9199 • www.uspto.gov

### Copyrights

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

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



# OTHER ASSISTANCE

## OTHER SOURCES OF ASSISTANCE

### California Capital Financial Development Corporation

California Capital host many programs to assist entrepreneurs and small business owners. Please visit their web-site or contact them for more information.

Women's Business Center – SBA  
Procurement Technical Assistance Center – Defense Logistics Agency  
Business Information Center – Sacramento Employment and Training Agency  
Bilingual Business Programs  
California State Small Business Loan Guarantee Program  
Microlending Program

#### CLARENCE WILLIAMS, - PRESIDENT

1792 Tribute Rd., Ste. 270  
Sacramento, CA 95815  
916-442-1729 • 916-442-7852 Fax  
www.cacapital.org

### Stockton Impact Corps

The mission of Stockton Impact Corps is to act as a catalyst mobilizing community assets to create economic opportunity in Stockton. To achieve our mission, Stockton Impact Corps offers business owners small business development training and micro-loans. These loans will provide entrepreneurs with initial capital to get their business started; during the repayment of the loan, Stockton Impact Corps will work with loan recipients to prepare them for more traditional borrowing from a financial institution. We believe that financial stability is attained through the combination of knowledge, opportunity, and access to capital; by offering these services, the organization will be able to have a traceable impact on Stockton, providing more economic stimulation.

#### MARK CROCKETT

Executive Director  
209-471-1855  
www.StocktonImpactCorps.com

### Velocity Venture Capital

909 Mormon St.,  
Folsom, CA 95630  
888-292-4748  
www.velocityvc.com  
www.entrepreneurshowcase.org  
Velocity Venture Capital is an investment and advisory firm that capitalizes information technology companies that converge with key market sectors like Security, Medical, Energy, and Education. Velocity targets investments alongside corporate venture firms in the US with special attention paid to startup companies in Northern California. Velocity's Entrepreneurs Showcase designs and runs programs to educate and mentor the

Sacramento/ Northern California regions' top startups and graduate students and then connect them to Fortune 500 corporations, policymakers, mentors and investors facilitating knowledge, experience, idea and resource sharing and creating a system of connected capital that will fuel entrepreneurial growth in the region.

### GO-Biz

#### www.business.ca.gov

The Governor's Office of Business and Economic Development (GO-Biz) was created by Governor Edmund G. Brown Jr. to serve as California's single point of contact for economic development and job creation efforts. GO-Biz offers a range of services to business owners including: attraction, retention and expansion services, site selection, permit streamlining, clearing of regulatory hurdles, small business assistance, international trade development, and much more.

The Small Business Unit provides small business assistance through interagency projects, informational workshops, and direct advocacy. It also maintains a comprehensive list of resources for small business technical assistance, financing, and state procurement.

<http://business.ca.gov/Programs/SmallBusiness.aspx>

### Manex www.ame.org

The Corporation for Manufacturing Excellence (Manex), a private non-profit corporation, was established in 1995 to provide services to small and mid-size manufacturers in Northern California. Manex operates through a cooperative agreement between the Hollings Manufacturing Extension Partnership (MEP) of the National Institute of Standards and Technology (NIST), under the Department of Commerce.

Manex has evolved as manufacturing needs have grown in Northern California. Our vision mandates that we address the total organization, and as a result our role as strategic advisors includes:

- Strategic Planning
- Continuous Improvement
- Sales
- Marketing
- Product Development and Innovation
- Workforce Development
- Sustainability
- Supply Chain Development
- Export Assistance
- Technology Transfer Utilizing Area Labs and Universities
- Connecting Manufacturers with Private and Public Resources
- Working directly with the State, Counties and Cities to promote Economic Development in Manufacturing, Fabrication, R&D, as well as Food and Beverage Processing

### LOCAL CONTACT:

#### PAUL STARK, REGIONAL MANAGER

2010 Crow Canyon Place, Ste. 320  
San Ramon, CA 94583  
www.manexconsulting.com  
County Offices

### ALPINE COUNTY INFORMATION

County Seat if Markleeville

### COUNTY CLERK

99 Water St./P.O. Box 158  
Markleeville, CA 96120  
530-694-2281  
www.alpinecountyca.gov

### COUNTY RECORDER

99 Water St./P.O. Box 217  
Markleeville, CA 96120  
530-694-2283  
www.alpinecountyca.gov

### COUNTY TREASURER'S OFFICE

530-694-2286  
www.alpinecountyca.gov/departments

### AMADOR COUNTY INFORMATION

County Seat Is Jackson  
www.co.amador.ca.us

### COUNTY CLERK-RECORDER

#### FICTITIOUS NAME REGISTRATION

810 Court St.  
Jackson, CA 95642  
209-223-6468

### COUNTY ASSESSOR

810 Court St.  
Jackson, CA  
209-223-6351  
County business license is not required in the unincorporated areas of Amador County. Incorporated cities require city license: Jackson, Sutter Creek, Amador City, Plymouth and Ione.

### BUTTE COUNTY INFORMATION

County Seat Is Oroville  
www.buttecounty.net

### COUNTY SUPERIOR COURT

25 County Center Dr.  
Oroville, CA 95965  
530-538-7621

### COUNTY CLERK-RECORDER

#### FICTITIOUS NAME REGISTRATION

County Administration Bldg.  
25 County Center Dr., Ste. 105  
Oroville, CA 95965  
530-538-7691

### COUNTY ASSESSOR

25 County Center Dr., Ste. 100  
Oroville, CA 95965  
530-538-7721  
County business license is required for unincorporated areas of Butte County. Incorporated cities require city license: Oroville, Chico and Gridley.

### CALAVERAS COUNTY INFORMATION

County Seat Is San Andreas  
www.calaverasgov.us

### BUSINESS LICENSE

Treasurer/Tax Collector's Office  
Business License Department  
891 Mountain Ranch Rd.  
San Andreas, CA 95249  
209-754-6350

### COUNTY CLERK-RECORDER/FICTITIOUS BUSINESS NAME

#### FICTITIOUS NAME REGISTRATION

891 Mountain Ranch Rd.  
San Andreas, CA 95249-9713  
209-754-6371

### COUNTY ASSESSOR

891 Mountain Ranch Rd.  
San Andreas, CA 95249  
209-754-6356  
County business license is required for unincorporated areas of Calaveras County. City of Angels requires a city license.

### COLUSA COUNTY INFORMATION

County Seat Is Colusa  
www.countyofcolusa.org

### COUNTY CLERK/RECORDER

#### FICTITIOUS NAME REGISTRATION

547 Market St., Ste. 111  
Colusa, CA 95932  
530-458-0440

### COUNTY ASSESSOR'S OFFICE, COUNTY BUSINESS LICENSE

547 Market St., Ste. 111  
Colusa, CA 95932  
530-458-0450  
County business license is required for unincorporated area of Colusa County. Incorporated cities require city license: Williams and Colusa.

### EL DORADO COUNTY INFORMATION

County Seat Is Placerville  
www.edcgov.us

### COUNTY CLERK/RECORDER

#### FICTITIOUS NAME REGISTRATION

360 Fair Ln.  
Placerville, CA 95667  
530-621-5490

### COUNTY ASSESSOR

360 Fair Ln.  
Placerville, CA 95667  
530-621-5719

### TREASURER & TAX COLLECTOR BUSINESS LICENSE

360 Fair Ln.  
Placerville, CA 95667  
530-621-5800  
County business license is required for unincorporated areas of El Dorado County. Incorporated cities require city license: South Lake Tahoe and Placerville.

# OTHER ASSISTANCE

## GLENN COUNTY INFORMATION

County Seat Is Willows  
[www.countyofglenn.net](http://www.countyofglenn.net)

## COUNTY CLERK RECORDER FICTITIOUS NAME REGISTRATION

516 W. Sycamore St.  
Willows, CA 95988  
530-934-6412

## COUNTY ASSESSOR'S OFFICE

516 W. Sycamore St.  
Willows, CA 95988  
530-934-6402  
County business license is not required for unincorporated areas of Glenn County. Incorporated cities of Willows and Orland require city license.

## LASSEN COUNTY INFORMATION

County Seat Is Susanville  
[www.lassencounty.org](http://www.lassencounty.org)

## COUNTY CLERK/RECORDER FICTITIOUS NAME REGISTRATION

220 S. Lassen St., Ste. 5  
Susanville, CA 96130  
530-251-8217 Clerk  
530-251-8234 Recorder

## COUNTY ASSESSOR

220 S. Lassen St., Ste. 4  
Susanville, CA 96130-4357  
530-251-8241

## CITY OF SUSANVILLE

Obtain a Business License  
66 N. Lassen St.  
Susanville, CA 96130  
530-257-1000  
County business license is not required for unincorporated areas of Lassen County. Susanville is an incorporated city and requires city license.

## MODOC COUNTY INFORMATION

County Seat Is Altura  
[www.co.modoc.ca.us](http://www.co.modoc.ca.us)

## COUNTY RECORDER – FICTITIOUS NAME REGISTRATION

108 E. Modoc St.  
Alturas, CA 96101  
530-233-6205

## COUNTY ASSESSOR'S OFFICE

204 S. Court St., Ste. 106  
Alturas, CA 96101  
530-233-6218  
County business license is not required for unincorporated areas of Modoc County. Business license is required for the City of Alturas.

## NEVADA COUNTY INFORMATION

County Seat Is Nevada City  
[www.mynevadacounty.com](http://www.mynevadacounty.com)

## COUNTY CLERK/RECORDER FICTITIOUS NAME REGISTRATION

950 Maidu Ave., Ste. 210  
Nevada City, CA 95959  
530-265-1221

## COUNTY ASSESSOR

950 Maidu Ave., Ste. 290  
Nevada City, CA 95959  
530-265-1232  
County business license is not required for unincorporated areas of Nevada County. City business license is required for the cities of Grass Valley and Nevada City.

## PLUMAS COUNTY INFORMATION

County Seat Is Quincy  
[www.countyofplumas.com](http://www.countyofplumas.com)

## COUNTY CLERK/RECORDER FICTITIOUS NAME REGISTRATION

520 Main St., #102  
Quincy, CA 95971-9366  
530-283-6256 Clerk  
530-283-6218 Recorder

## PLUMAS COUNTY ASSESSOR

1 Crescent St.  
Quincy, CA 95971  
530-283-6380  
County business license is not required for unincorporated areas of Plumas County.

## PLACER COUNTY INFORMATION

County Seat Is Auburn  
[www.placer.ca.gov](http://www.placer.ca.gov)

## CITY OF ROSEVILLE BUSINESS LICENSE OFFICE

311 Vernon St.  
Roseville, CA 95678  
916-774-5310

## COUNTY CLERK AND RECORDER FICTITIOUS NAME REGISTRATION BUSINESS LICENSE

2954 Richardson Dr.  
Auburn, CA 95603  
530-886-5600 Recordings  
530-886-5610 Clerk  
530-889-4120 Business License

## COUNTY ASSESSOR'S OFFICE

2980 Richardson Dr.  
Auburn, CA  
530-889-4300  
County business license is required for unincorporated areas of Placer County. The incorporated cities in Placer County are Auburn, Colfax, Lincoln, Loomis, Rocklin and Roseville.

## SACRAMENTO COUNTY INFORMATION

County Seat Is Sacramento  
[www.saccounty.net](http://www.saccounty.net)

## COUNTY CLERK AND RECORDER

Downtown Sacramento  
600 8th St.  
Sacramento, CA 95814  
Corner of 8th and F St's.  
916-874-6334

## EAST AREA SERVICE CENTER

5229-B Hazel Ave.  
Fair Oaks, CA 95628  
Corner of Madison and Hazel Aves.

## FICTITIOUS NAME REGISTRATION/ BUSINESS LICENSE

700 H St., Rm. 1710, 1st Fl.  
Sacramento, CA 95814  
916-874-6644

## SACRAMENTO COUNTY ASSESSOR'S OFFICE

3701 Power Inn Rd., Ste. 3000  
Sacramento, CA 95826-4329  
916-875-0700  
[www.assessor.saccounty.net](http://www.assessor.saccounty.net)  
County business license is required for unincorporated areas of Sacramento County.

## SAN JOAQUIN COUNTY INFORMATION County Seat Is Stockton

## COUNTY CLERK/RECORDER/ASSESSOR'S

44 N San Joaquin St., Ste. 260  
Stockton, CA 95202  
209-468-3939 Recorder/Clerk  
209-468-2630 Assessor's  
[www.sjgov.org](http://www.sjgov.org)

## CITY OF STOCKTON: COMMUNITY DEVELOPMENT DEPARTMENT

3345 N. El Dorado St.  
Stockton, CA 95202  
209-937-8444

## BUSINESS LICENSE

425 N. El Dorado St., 1st Fl.  
Stockton, CA 95202  
209-937-8460 • 209-937-8844 Fax

## SHASTA COUNTY INFORMATION

County Seat Is Redding

## COUNTY CLERK FICTITIOUS NAME REGISTRATION

1643 Market St.  
Redding, CA 96001  
530-225-5730

## COUNTY ASSESSOR'S OFFICE/RECORDER

1450 Court St., Ste. 208A  
Redding, CA 96001-1667  
530-225-3600

## COUNTY RECORDER

1450 Court St., Ste. 208  
Redding, CA 96001-1670  
530-225-5671  
County business license is not required for unincorporated areas of Shasta County. Business license is required for the cities of Redding, Shasta Lake and Anderson.

## COUNTY CLERK-SISKIYOU FICTITIOUS NAME REGISTRATION

510 N. Main St.  
Yreka, CA 96097  
530-842-8084 or 888-854-2000 ext. 8084

## SISKIYOU COUNTY ECONOMIC DEVELOPMENT COUNSEL

1512 S. Oregon St.  
Yreka, CA 96097  
530-842-1638

## ASSESSOR/RECORDER

311 Fourth St., Rm. 108  
Yreka, CA 96097  
530-842-8036 Assessor  
530-842-8065 Recorder  
County business license is required for unincorporated areas of Siskiyou County. Business license is required for the cities of Yreka, Mount Shasta, Weed, Montague, Dunsmuir, Fort Jones, Etna, Dorris and Tulelake.

## SIERRA COUNTY INFORMATION

County Seat Is Downieville

## COUNTY CLERK/RECORDER FICTITIOUS NAME REGISTRATION

100 Courthouse Sq., #11  
Downieville, CA 95936  
530-289-3295

## COUNTY ASSESSOR

100 Courthouse Sq. #B1/P.O. Box 8  
Downieville, CA 95936  
530-289-3283  
County business license is not required for unincorporated areas of Sierra County. A city business license is required for the City of Loyalton.

## SUTTER COUNTY INFORMATION

County Seat Is Yuba City

## CLERK/RECORDER FICTITIOUS NAME REGISTRATION

433 2nd St.  
Yuba City, CA 95991  
530-822-7134

## COUNTY ASSESSORS OFFICE

1160 Civic Center Blvd., Ste. D  
Yuba City, CA 95993  
530-822-7160  
County business license is not required for unincorporated areas of Sutter County. City business license is required for the cities of Yuba City and Live Oak.

## TEHAMA COUNTY INFORMATION

County Seat Is Red Bluff

## COUNTY CLERK AND RECORDER, FICTITIOUS NAME REGISTRATION

633 Washington St./P.O. Box 250  
Red Bluff, CA 96080  
530-527-3350

## COUNTY ASSESSOR'S OFFICE

444 Oak St./P.O. Box 428  
Red Bluff, CA 96080  
530-527-5931  
County business license is not required for unincorporated areas of Tehama County. City business license is required for the cities of Dornig, Tehama and Red Bluff.

# OTHER ASSISTANCE

## TRINITY COUNTY INFORMATION

County Seat Is Weaverville

## COUNTY CLERK RECORDER, FICTITIOUS NAME REGISTRATION

11 Court St./P.O. Box 1215  
Weaverville, CA 96093  
530-623-1215

## COUNTY ASSESSOR

11 Court St./P.O. Box 1255  
Weaverville, CA 96093  
530-623-1257

## CLERK AND RECORDER FICTITIOUS NAME REGISTRATION

625 Court St., Rm. B01  
Woodland, CA 95695  
530-666-8130  
yolorecorder.org

## COUNTY ASSESSOR

625 Court St., Rm. #104  
Woodland, CA 95695  
530-666-8135

## BUSINESS LICENSE

292 W. Beamer St.  
Woodland, CA 95695-2511  
530-666-8775  
County business license is required for unincorporated areas of Yolo County. Business license is required for the cities of Woodland, West Sacramento, Winters and Davis.

## YUBA COUNTY INFORMATION

County Seat Is Marysville

## COUNTY CLERK/RECORDER FICTITIOUS NAME REGISTRATION

915 8th St., Ste. 107  
Marysville, CA 95901  
530-749-7851  
530-749-7850 Recorder  
530-749-7851 Clerk

## COUNTY ASSESSOR

915 8th St., Ste. 101  
Marysville, CA 95901  
530-749-7820  
Yuba County business license is not required for unincorporated areas of Yuba County.

## Chambers of Commerce

Chambers of Commerce serves as a central location where the local small business community may obtain information, publications and contact information.

## ALPINE COUNTY CHAMBER OF COMMERCE

3 Webster St.  
Markleeville, CA 96120  
530-694-2475

## ALTURAS CHAMBER OF COMMERCE

600 S. Main St.  
Alturas, CA 96101  
530-233-4434

## AMADOR COUNTY CHAMBER OF COMMERCE

115 Main St./P.O. Box 596  
Jackson, CA 95642  
209-223-0350

## ANDERSON CHAMBER OF COMMERCE

2375 North St.  
Anderson, CA 96007-3580  
530-365-8095

## AUBURN CHAMBER OF COMMERCE

1103 High St., Ste. 100  
Auburn, CA 95603  
530-885-5616 or 916-885-5854  
www.auburnchamber.net

## BURNEY BASIN CHAMBER OF COMMERCE

36879 CA-299  
Burney, CA 96013  
530-335-2111

## BUTTE VALLEY CHAMBER OF COMMERCE

P.O. Box 541  
Dorris, CA 96023  
530-397-2111

## CALAVERAS COUNTY CHAMBER OF COMMERCE

1211 S. Main St.  
Angels Camp, CA 95222  
San Andreas, CA 95249  
209-754-5400

## CALIFORNIA BLACK CHAMBER OF COMMERCE

1600 Sacramento Inn Way, #232  
Sacramento, CA 95815  
916-463-0177  
www.calbcc.org

## CALIFORNIA CHAMBER OF COMMERCE

1215 K St., Ste. 1400  
Sacramento, CA 95814  
800-331-8877

## CALIFORNIA HISPANIC CHAMBER OF COMMERCE

1510 J St., #110  
Sacramento, CA 95814  
916-444-2221

## CARMICHAEL CHAMBER OF COMMERCE

6825 Fair Oaks Blvd., Ste. 100  
Carmichael, CA 95608  
916-481-1002

## CENTRAL VALLEY ASIAN-AMERICAN CHAMBER OF COMMERCE

178 W. Adams St.,  
Stockton, CA 95204  
209-469-8860

## CHESTER-LAKE ALMANOR CHAMBER OF COMMERCE

529 Main St.  
Chester, CA 96020  
530-258-2426  
www.lakealmanorarea.com

## CHICO CHAMBER OF COMMERCE

441 Main St., #150  
Chico, CA 95928  
530-891-5556 or 800-852-8570 Toll Free  
www.chicochamber.com

## CITRUS HEIGHTS CHAMBER OF COMMERCE

7115 Greenback Ln.  
Citrus Heights, CA 95621-5526  
916-722-4545  
www.chchamber.com

## COLFAX AREA CHAMBER OF COMMERCE

99 Railroad South Railroad St./P.O. Box 86  
Colfax, CA 95713  
530-346-8888  
www.colfaxarea.com

## CORNING DISTRICT CHAMBER OF COMMERCE

1110 Solano St.  
Corning, CA 96021-3143  
530-824-5550  
www.corningcachamber.org

## COTTONWOOD CHAMBER OF COMMERCE

3266 Brush St.  
Cottonwood, CA 96022  
530-347-6800  
www.cottonwoodchamberofcommerce.com

## DAVIS CHAMBER OF COMMERCE

604 3rd St.  
Davis, CA 95616-4699  
530-756-5160  
www.davischamber.com

## DUNSMUIR CHAMBER OF COMMERCE

Dunsmuir City Hall  
5915 Dunsmuir Ave., #100  
Dunsmuir, CA 96025-2331  
530-235-2177 or (800) DUNSMUIR  
www.dunsmuir.com

## EASTERN PLUMAS CHAMBER OF COMMERCE

CA-89  
Blairsden, CA 96103  
530-836-6811  
www.easternplumaschamber.com

## EAST SACRAMENTO CHAMBER OF COMMERCE

3104 O St., Ste. 222  
Sacramento, CA 95816  
916-947-9403  
www.eastsacchamber.org

## EL DORADO HILLS CHAMBER OF COMMERCE

2085 Vine St., Ste. 105  
El Dorado Hills, CA 95762  
916-933-1335  
www.eldoradohillschamber.com

## ELK GROVE CHAMBER OF COMMERCE

9401 E. Stockton Blvd., #125  
Elk Grove, CA 95624  
916-691-3760  
www.elkgrovecam.com

## ESCALON CHAMBER OF COMMERCE

1111 First St.  
Escalon, CA 95320  
209-838-2793  
www.escalonchamberofcommerce.org

## ESPARTO CHAMBER OF COMMERCE

16915 Yolo Ave., #B/P.O. Box 194  
Esparto CA 95627  
530-787-3242  
www.espartoregionalchamber.com

## FAIR OAKS CHAMBER OF COMMERCE

10014 Fair Oaks Blvd.  
Fair Oaks, CA 95628  
916-967-2903  
www.fairoakschamber.com

## FALL RIVER VALLEY CHAMBER OF COMMERCE

43161 Main St.  
Fall River Mills, CA 96028  
530-336-5840  
www.fallrivervalleycc.com

## FOLSOM CHAMBER OF COMMERCE

200 Wool St.  
Folsom, CA 95630  
916-985-2698  
www.folsomchamber.com

## FORESTHILL DIVIDE CHAMBER OF COMMERCE

24470 Main St., #B  
Foresthill, CA 95631  
530-367-2474  
www.foresthillchamber.org

## GALT DISTRICT CHAMBER OF COMMERCE

431 S. Lincoln Way  
Galt, CA 95632-2019  
209-745-2529  
www.galtchamber.com

## GREATER GRASS VALLEY CHAMBER OF COMMERCE

128 E. Main St.  
Grass Valley, CA 95945  
530-273-4667  
www.grassvalleychamber.com

## GREATER REDDING CHAMBER OF COMMERCE

747 Auditorium Dr.  
Redding, CA 96001  
530-225-4433  
www.reddingchamber.com

## GRIDLEY AREA CHAMBER OF COMMERCE

613 Kentucky St.  
Gridley, CA 95948-2117  
530-846-3142  
www.gridleyareachamber.com

## HAPPY CAMP CHAMBER OF COMMERCE

530-493-2900  
www.happycampchamber.com

# OTHER ASSISTANCE

## HAYFORK CHAMBER OF COMMERCE

P.O. Box 191  
Hayfork, CA 96041  
530-628-5223  
[www.hayforkchamber.com](http://www.hayforkchamber.com)

## INDIAN VALLEY CHAMBER OF COMMERCE

408 Main St./P.O. Box 516  
Greenville, CA 95947  
530-284-6633  
[www.Indianvalleychamber.com](http://www.Indianvalleychamber.com)

## ISLETON CHAMBER OF COMMERCE

23 Main St./P.O. Box 758  
Isleton, CA 95641  
916-777-4800  
[www.isletonchamber.com](http://www.isletonchamber.com)

## LASSEN COUNTY CHAMBER OF COMMERCE

75 N. Weatherlow St./P.O. Box 338  
Susanville, CA 96130-3936  
530-257-4323  
[www.lassencountychamber.org](http://www.lassencountychamber.org)

## LATHROP DISTRICT CHAMBER OF COMMERCE

15104 Harlan Rd.  
Lathrop, CA 95330  
209-858-5282  
[www.lathropchamber.org](http://www.lathropchamber.org)

## LINCOLN CHAMBER OF COMMERCE

540 F St.  
Lincoln, CA 95648-1848  
916-645-2035  
[www.lincolnchamber.com](http://www.lincolnchamber.com)

## LIVE OAK DISTRICT CHAMBER OF COMMERCE

2624 Fir St./P.O. Box 391  
Live Oak, CA 95953-2326  
530-695-1519  
[www.liveoakchamber.org](http://www.liveoakchamber.org)

## LODI DISTRICT CHAMBER OF COMMERCE

35 S. School St.  
Lodi, CA 95240-2114  
209-367-7840  
[www.lodichamber.com](http://www.lodichamber.com)

## LOOMIS BASIN CHAMBER OF COMMERCE

6090 Horseshoe Bar Rd.  
Loomis, CA 95650-8528  
916-652-7252  
[www.loommischamber.com](http://www.loommischamber.com)

## LOS MOLINOS CHAMBER OF COMMERCE

P.O. Box 334  
Los Molinos, CA 96055  
530-384-2251  
[www.losmochamber.com](http://www.losmochamber.com)

## MANTECA CHAMBER

183 W. North St., #6  
Manteca, CA 95336  
209-823-6121  
[www.manteca.org](http://www.manteca.org)

## McCLOUD CHAMBER OF COMMERCE

P.O. Box 372  
McCloud, CA 96057  
530-964-3113  
[www.mccloudchamber.com](http://www.mccloudchamber.com)

## MOUNT SHASTA CHAMBER OF COMMERCE

300 Pine St.  
Mount Shasta, CA 96067  
530-926-4865  
[www.mtshastachamber.com](http://www.mtshastachamber.com)

## NEVADA CITY CHAMBER OF COMMERCE

132 Main St.  
Nevada City, CA 95959  
530-265-2692  
[www.nevadacitychamber.com](http://www.nevadacitychamber.com)

## KLAMATH CHAMBER OF COMMERCE

P.O. Box 476  
Klamath, CA 95548  
800-200-2335

## NORTH LAKE TAHOE CHAMBER/RESORT ASSOCIATION

P.O. Box 884  
Tahoe City, CA 96145  
530-581-8764  
[gotahoenorth.com](http://gotahoenorth.com)

## ORANGEVALE CHAMBER

9267 Greenback Ln., Ste. B91  
Orangevale, CA 95662  
916-988-0175  
[www.orangevallechamber.com](http://www.orangevallechamber.com)

## ORLAND CHAMBER OF COMMERCE

401 Walker St.  
Orland, CA 95963  
530-865-2311  
[www.orland-chamber.com](http://www.orland-chamber.com)

## OROVILLE CHAMBER OF COMMERCE

1789 Montgomery St.  
Oroville, CA 95965-4820  
530-538-2542  
[www.orovillechamber.net](http://www.orovillechamber.net)

## PARADISE RIDGE CHAMBER OF COMMERCE & VISITORS BUREAU

5550 Skyway, Ste. 1  
Paradise, CA 95969  
530-877-9356  
[www.paradisechamber.com](http://www.paradisechamber.com)

## EASTERN PLUMAS COUNTY CHAMBER

8989 Hwy. 89/P.O. Box 1043  
Blairsden, CA 96103  
530-836-6811  
[www.easternplumaschamber.com](http://www.easternplumaschamber.com)

## QUINCY CHAMBER OF COMMERCE

336 Main St./P.O. Box 215  
Quincy, CA 95971  
530-283-0188  
[www.quincychamber.com](http://www.quincychamber.com)

## RANCHO CORDOVA CHAMBER

2729 Prospect Park Dr., Ste. 117  
Rancho Cordova, CA 95670  
916-273-5700  
[www.ranchocordova.org](http://www.ranchocordova.org)

## RED BLUFF-TEHEMA CHAMBER

100 Main St./P.O. Box 850  
Red Bluff, CA 96080-3817  
530-527-6220  
[www.redbluffchamber.com](http://www.redbluffchamber.com)

## RIO LINDA/ELVERTA CHAMBER OF COMMERCE & CIVIC LEAGUE

6730 Front St./P.O. Box 75  
Rio Linda, CA 95673  
916-991-9344  
[www.riechamber.org](http://www.riechamber.org)

## RIPON CHAMBER

929 W. Main St./P.O. Box 327  
Ripon, CA 95366  
209-599-7519  
[www.Riponchamber.org](http://www.Riponchamber.org)

## ROCKLIN CHAMBER

3700 Rocklin Rd.  
Rocklin, CA 95677  
916-624-2548  
[www.rocklinchamber.com](http://www.rocklinchamber.com)

## ROSEVILLE CHAMBER

650 Douglas Blvd.  
Roseville, CA 95678  
916-783-8136  
[www.rosevillechamber.com](http://www.rosevillechamber.com)

## ROUGH & READY CHAMBER

P.O. Box 801  
Rough and Ready, CA 95975-0801  
530-272-4320  
[www.roughandreadychamber.com](http://www.roughandreadychamber.com)

## THE SACRAMENTO ASIAN PACIFIC CHAMBER

2012 H St., #101  
Sacramento, CA 95811  
916-446-7883  
[www.sacasiancc.org](http://www.sacasiancc.org)

## SACRAMENTO BLACK CHAMBER

5770 Freepoint Blvd., Ste. 44  
Sacramento, CA 95822  
916-231-0416  
[www.sacblackchamber.org](http://www.sacblackchamber.org)

## CALIFORNIA HISPANIC CHAMBER

1510 J. St., Ste. 110  
Sacramento, CA 95814-3367  
916-444-2221  
[www.cahcc.com](http://www.cahcc.com)

## SACRAMENTO METRO CHAMBER

One Capitol Mall, Ste. 300  
Sacramento, CA 95814  
916-552-6800  
[www.metrochamber.org](http://www.metrochamber.org)

## SHINGLE SPRINGS/CAMERON PARK CHAMBER

4095 Cameron Park Dr.  
Cameron Park, CA 95682-7288  
530-677-8000  
[www.sscpchamber.org](http://www.sscpchamber.org)

## SIERRA COUNTY CHAMBER

P.O. Box 436  
Sierra City, CA 96125  
800-200-4949  
[www.sierracounty.org](http://www.sierracounty.org)

## SISKIYOU COUNTY CHAMBER ALLIANCE

[www.siskiyouchambers.com](http://www.siskiyouchambers.com)

## SCOTT VALLEY CHAMBER OF COMMERCE DELETE NOT IN OUR DISTRICT

P.O. Box 111  
Greenville, CA 96037  
530-468-5672  
[www.scottvalley.org](http://www.scottvalley.org)

## LAKE TAHOE SOUTH SHORE CHAMBER

169 U.S. 50  
Stateline NV 89449  
775-588-1728

## GREATER STOCKTON CHAMBER

445 W. Weber Ave., Ste. 220  
Stockton, CA 95203  
209-547-2770  
[www.stocktonchamber.org](http://www.stocktonchamber.org)

## SAN JOAQUIN COUNTY HISPANIC CHAMBER

7500 West Ln.  
Stockton CA 95210  
209-943-6117  
[Sjchspanicchamber.com](http://Sjchspanicchamber.com)

## TRACY CHAMBER OF COMMERCE

223 E. 10th St.  
Tracy, CA 95376-4005  
209-835-2131  
[www.tracychamber.org](http://www.tracychamber.org)

## TRINITY COUNTY CHAMBER

509 Main St.  
Weaverville, CA 96093  
800-487-4648 or 530-623-6101  
[www.trinitycounty.com](http://www.trinitycounty.com)

## TRUCKEE DONNER CHAMBER

10065 Donner Pass Rd.  
Truckee, CA 96161  
530-587-2757  
[www.truckeechamber.com](http://www.truckeechamber.com)

## GREATER SACRAMENTO/VIETNAMESE AMERICAN CHAMBER

[gsvacc.org](http://gsvacc.org)

## WEAVERVILLE, CALIFORNIA CHAMBER

509 Main St.  
Weaverville, CA 96093-0345  
530-623-6101  
[www.weavervilleca.org](http://www.weavervilleca.org)

# OTHER ASSISTANCE

## WEED CHAMBER

34 Main St.  
Weed, CA 96094-2522  
530-938-4624  
www.weedchamber.com

## CALAVERAS COUNTY CHAMBER

39 N. Main St.  
San Andreas, CA 95249  
209-754-5400  
www.calaveras.org

## WEST SACRAMENTO CHAMBER

1401 Halyard Dr., Ste. 120  
West Sacramento, CA 95691-3209  
916-371-7042  
www.westsacramentochamber.com

## WESTWOOD AREA CHAMBER

P.O. Box 1247  
Westwood, CA 96137  
530-256-2456  
www.westwoodareachamber.com

## WILLOWS CHAMBER

118 W. Sycamore St.  
Willows, CA 95988-2826  
530-934-8150  
www.willowchamber.com

## WINTERS CHAMBER OF COMMERCE

18 Main St.  
Winters, CA 95694  
530-795-3202  
www.winterschamber.com

## WOODLAND CHAMBER OF COMMERCE

307 1st St.  
Woodland, CA 95695-3412  
530-662-7327  
www.woodlandchamber.org

## HISPANIC CHAMBER OF COMMERCE OF YOLO COUNTY

P.O. Box 1232  
Woodland, CA 95695-3481  
530-666-5335

## YREKA CHAMBER OF COMMERCE

1000 S. Main St.  
Yreka, CA 96097-2917  
530-842-1649  
www.yrekachamber.com

## YUBA-SUTTER CHAMBER OF COMMERCE

1300 Franklin Rd.  
Yuba City, CA 95993  
530-743-6501  
www.yubasutterchamber.com

## REPORTING UNCLAIMED PROPERTY

Did you know that all businesses are required to annually review their books and records for unclaimed property? Under California's Unclaimed Property Law (California Code of Civil Procedure section 1500 et seq.), unclaimed property escheats to the State if it has remained dormant for a period of time specified in the law, generally three (3) years. The State Controller's Office (SCO) holds the property in perpetuity until a verified claim is filed by the true owner and approved. All businesses are required to annually report any unclaimed property they hold that has escheated. In order to comply with this requirement, businesses need to review their books and records annually to determine if they hold any escheated property. Unclaimed property includes, but is not limited to, payroll checks, accounts payable checks, refunds, accounts receivable, credit balances, bank accounts, customer overpayments, money orders, traveler's checks, and insurance proceeds.

For complete reporting instructions and links to required forms and free reporting software, please visit the SCO website at [http://www.sco.ca.gov/upd\\_rptg.html](http://www.sco.ca.gov/upd_rptg.html). If you would like to receive notification of upcoming workshops, law changes and updates to forms or other publications, subscribe to our email list at [http://www.sco.ca.gov/ucp\\_holder\\_notification\\_email.html](http://www.sco.ca.gov/ucp_holder_notification_email.html).

If you require additional reporting assistance, the Outreach and Compliance Unit (OCU), within the Unclaimed Property Division, is here to help! To contact a representative of the OCU directly, you may call (916) 464-6088 or email us at [UPDHolderOutreach@sco.ca.gov](mailto:UPDHolderOutreach@sco.ca.gov).

# OPERATING A BUSINESS IN SACRAMENTO

## City of Sacramento:

[www.cityofsacramento.org](http://www.cityofsacramento.org) or [www.sac311.org](http://www.sac311.org)  
City Hall, 915 I Street, Sacramento, CA 95814

	All Area Code (916) 264-5011
Economic Development Div. (General business assistance)	808-7223
Office of Small Business (Economic Dev. Dept.)	808-7223
Business License (Finance Department)	808-8500
Planning & Building Div.	264-5011
Business Permits	808-5852
<a href="http://www.sac311.org">www.sac311.org</a>	
Fire Prevention Div. (Fire Code)	808-1643
City Utilities (Water, Sewer)	808-5454
General Services (Alley Curb & Gutter Repair)	311

Sacramento County: 700 H Street room 1710, Sacramento, CA. 95814	
County Clerk Business License (Fictitious name filing)	874-6644
<a href="http://www.finance.saccountry.net">www.finance.saccountry.net</a>	
Zoning Check	874-6221
Commercial Building Permits/Plan Submittal & Review	874-2424
Environment Regulatory Assistance	364-4110
Fire Safety Inspection (Fire Code)	942-3300
<a href="http://www.metrofire.ca.gov">www.metrofire.ca.gov</a>	
Sign Permit	874-6221
Transportation Permit	874-6544

## State:

State of California Office of Small Business	375-4940
Board of Equalization	800-400-7115
Seller's Permit/Sales and Use Tax Permit	800-400-7115
Incorporation Registration	657-5448
Dept. of Labor Law	263-1811
Alcoholic Beverage License	
<a href="http://www.abc.ca.gov">www.abc.ca.gov</a>	
Health Permit or Registration (Restaurants, Bars, Food, etc.)	875-8440
BERC - Approved Certified Kitchens	874-2100
Contractor's License	800-321-2752

## Federal:

U.S. Small Business Administration (Greater Sacramento Area) 6501 Sylvan Road, Suite 100, Citrus Heights, CA 95610	916 735-1700
<a href="http://www.sba.gov/about-offices-content/2/3100">www.sba.gov/about-offices-content/2/3100</a>	
IRS Tax ID No.	800-829-1040
<a href="http://www.irs.gov">www.irs.gov</a>	
Social Security	800-772-1213
<a href="http://www.ssn.gov">www.ssn.gov</a>	
Environmental Protection Agency (EPA), (San Francisco)	415-947-8000
Food and Drug Administration (FDA)	510-337-6700
Labor Dept. (Occupational Safety & Health Admin.)	800-475-4019

United States Census Bureau  
[www.census.gov](http://www.census.gov)

The SBA can help finance your business.  
Give us a call

916-735-1700



# SBA PARTICIPATING LENDERS

SBA PARTICIPATING LENDERS

## Participating Lenders

### BANK OF AMERICA NAT. ASSOC.

10850 White Rock Rd.  
Rancho Cordova, CA 95670  
888-BUSINESS

### BANK OF THE WEST

Any Branch Office  
866-306-7254

### CALIFORNIA STATEWIDE CERTIFIED DEVELOPMENT

300 N. Lake Ave., Ste. 425  
Pasadena, CA 91101  
800-982-9192

### CELTIC BANK CORP.

2101 Campton Cir.  
Gold River, CA 95670  
916-719-8003

### CENTRAL VALLEY COMMUNITY BANK

2800 W. March Ln.  
Stockton, CA 95219  
209-956-7800

### CDC SMALL BUSINESS FINANCE

1545 River Park Dr., Ste. 350  
Sacramento, CA 95815  
800-611-5170

### COMPASS BANK

8777 Sierra College Blvd., #100  
Roseville, A 95667  
916-789-4400

### CORNERSTONE COMMUNITY BANK

237 S. Main St.  
Red Bluff, CA 96080  
530-529-1222

### FIRST COMMUNITY BANK

3017 Douglas Blvd., Ste. 300  
Roseville, CA 95661  
916-774-7192

### FIRST US COMMUNITY CREDIT UNION

580 University Ave., Ste. 100  
Sacramento, CA 95825  
916-576-5700

### FIVE STAR BANK

3100 Zinfandel Dr., Ste. 100  
Rancho Cordova, CA 95670  
916-851-5440

### GOLDEN PACIFIC BANK

980 9th St., Ste. 100  
Sacramento, CA 95814  
916-444-2450

### GREATER SACRAMENTO CERT. DEVELOPMENT CORPORATION

5428 Watt Ave., Ste. 200  
North Highlands, CA 95660  
916-339-1096

### JPMORGAN CHASE BANK NATIONAL ASSOCIATION

Any Branch Office  
Business Banking Manager  
916-440-0102

### LIVE OAK BANKING COMPANY

336 Bon Air Center, #224  
Greenbrae, CA 94904  
877-790-1678

### MORTGAGE CAP. DEV. CORP.

611 Front St.  
San Francisco, CA 94111  
888-989-8855

### PACIFIC PREMIER BANK

101 Parkshore Dr.  
Folsom, CA 95630  
916-932-2158

### PLUMAS BANK

470 Nevada St., Ste. 108  
Auburn, CA 95603  
530-889-8616

### RURAL COMMUNITY ASSISTANCE CORPORATION (RCAC)

3120 Freeboard Dr., Ste. 201 W.  
Sacramento, CA 95691  
916-447-2854

### SAFE CREDIT UNION

2295 Iron Point Rd., Ste. 100  
Folsom, CA 95630-8765  
800-733-7233

### SEACOAST COMMUNITY BANK

Northern California SBA Division  
11246 Gold Express Dr., Ste. 98  
Sacramento, CA 95670  
916-858-1165

### TRI COUNTIES BANK

63 Constitution Dr.  
Chico, CA 95973  
530-898-0370

### UMPQUA BANK

2426 6th St.  
Eureka, CA 95501  
707-269-3134

### U.S. BANK

www.usbank.com/sba  
916-440-0102

### WELLS FARGO BANK

800-495-8256



## WEB SITES OF INTEREST

- Americans with Disabilities Act Guide for Small Businesses - [www.sba.gov/ada/](http://www.sba.gov/ada/)
- Answer Desk - [www.sba.gov/answerdesk.html](http://www.sba.gov/answerdesk.html)
- Business Plan Basic - [www.sba.gov/starting\\_business/planning/basic.html](http://www.sba.gov/starting_business/planning/basic.html)
- Business Procurement Assistance Center - <http://matcmadison.edu/bpac/home.htm>
- Catalog of Federal Domestic Assistance - [www.cdfa.gov](http://www.cdfa.gov)
- Center For International Trade Development (CITD) - [www.citd.org](http://www.citd.org)
- Consumer Information Center - [www.pueblo.gsa.gov](http://www.pueblo.gsa.gov)
- Employee Retirement Plans - [www.selectretirementplan.org](http://www.selectretirementplan.org)
- Fair Credit Reporting Act - [www.ftc.gov/bcp/conline/edcams/fcra/index.html](http://www.ftc.gov/bcp/conline/edcams/fcra/index.html)
- Federal Grant Resources - [www.sba.gov/financing/basics/grants.html](http://www.sba.gov/financing/basics/grants.html)
- Financing Basics - [www.sba.gov/starting\\_business/financing/basics.html](http://www.sba.gov/starting_business/financing/basics.html)
- Frequently Asked Questions (National) - <http://appl.sba.gov/faqs/>
- General Service Administration (GSA) - [www.gsa.gov](http://www.gsa.gov)
- Government Contracting (National) - [www.sba.gov/GC](http://www.sba.gov/GC)

- Home Based Businesses - [www.sba.gov/hotlist/home.html](http://www.sba.gov/hotlist/home.html)
- HUBZone Empowerment Contracting Program  
<https://eweb1.sba.gov/hubzone/internet>
- Internal Revenue Service - [www.irs.gov](http://www.irs.gov)
- Minority Business Development Agency - [www.mbda.gov](http://www.mbda.gov)
- National Association of Women Business Owners - [www.nawbo.org](http://www.nawbo.org)
- National Minority Supplier Development Council - [www.nmsdcus.org](http://www.nmsdcus.org)
- State of California Unclaimed Property - [www.sco.ca.gov/upd\\_rptg.html](http://www.sco.ca.gov/upd_rptg.html)
- SBA Disaster Assistance (National) - [www.sba.gov/disaster\\_recov/index.html](http://www.sba.gov/disaster_recov/index.html)
- SBA Forms - [www.sba.gov/library/forms.html](http://www.sba.gov/library/forms.html)
- SBA Shareware Library - [www.sba.gov/library/shareware.html](http://www.sba.gov/library/shareware.html)
- SBA Training Area - [www.sba.gov/training/courses.html](http://www.sba.gov/training/courses.html)
- Shasta College Web site lists some references related to small business development: [www3.shastacollege.edu/bewd](http://www3.shastacollege.edu/bewd)
- Small Disadvantage Business - [www.sba.gov/sdb](http://www.sba.gov/sdb)
- Small Business Development Center (SBDC) - [www.sbdcenter.net](http://www.sbdcenter.net)

- Small Business Eligibility  
[www.sba.gov/size/](http://www.sba.gov/size/)
- SCORE (National) - [www.score.org](http://www.score.org)
- Social Security Administration - [www.ssa.gov](http://www.ssa.gov)
- The California Tax Education - [www.ctec.org](http://www.ctec.org)  
[info@ctec.org](mailto:info@ctec.org)
- Tax Number (FEIN) - [www.irs.gov/businesses/index.html](http://www.irs.gov/businesses/index.html)
- U.S. Dept. of Agriculture - [www.usda.gov](http://www.usda.gov)
- U.S. Commercial Service - [www.BuyUSA.gov/Sacramento](http://www.BuyUSA.gov/Sacramento)
- U.S. Dept. of Commerce - [www.commerce.gov](http://www.commerce.gov)
- U.S. Export Assistance - [www.Export.gov](http://www.Export.gov)
- U.S. Hispanic Chamber of Commerce - [www.usbcc.com](http://www.usbcc.com)
- U.S. Postal Service - [www.usps.com/grow](http://www.usps.com/grow)
- U.S. Securities & Exchange - [www.sec.gov](http://www.sec.gov)
- U.S. Small Business Administration - [www.sba.gov](http://www.sba.gov)
- U.S. Small Business Administration (Spanish)  
[www.sba.gov/espanol](http://www.sba.gov/espanol)
- Veterans Business Development - [www.sba.gov/vets](http://www.sba.gov/vets)
- White House - [www.whitehouse.gov](http://www.whitehouse.gov)
- Women's Business Center (National) - [www.onlinewbc.gov](http://www.onlinewbc.gov)

## WANT TO TAKE YOUR BUSINESS TO THE NEXT LEVEL?

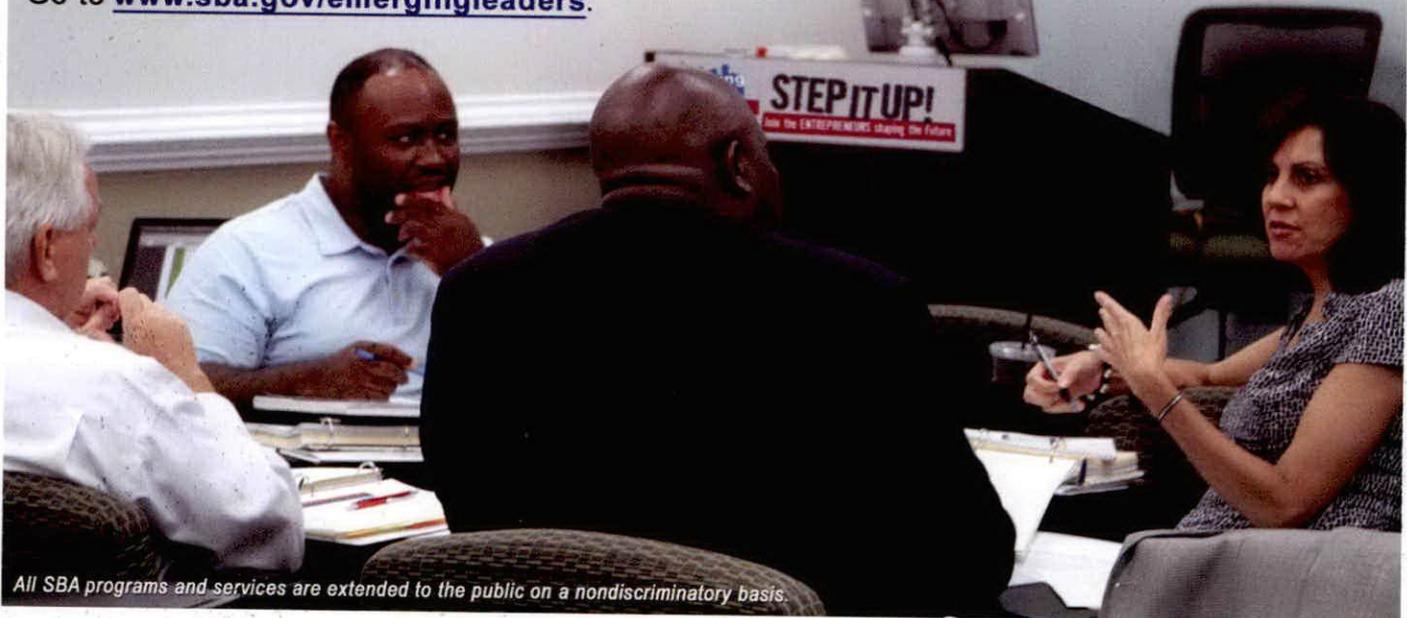
SBA's Emerging Leaders program will help you get there!  
This 7-month intensive program is specifically designed for executives of businesses that are poised for growth.  
Want to hear what other Emerging Leaders graduates have to say about the program?

Go to [www.sba.gov/emergingleaders](http://www.sba.gov/emergingleaders).

**emerging  
leaders**

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U.S. Small Business Administration



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

### On the Cover: **Horn Jewelers — Creating Legacy**

Kyong Tremblay left Korea to start a new life in the United States with absolutely nothing but pure will to succeed. She started a family, and her first priority was providing for her two kids and making sure they received a high-quality education. In order to support that goal, Kyong found a job working as a sales associate in a local jewelry store in Boston, learning the trade and developing a passion for helping her clients. When the owner retired three years later, Kyong saw an opportunity to go out on her own.

Located in the heart of Downtown Crossing, Boston's historic Diamond District, where over a hundred independent jewelry retailers compete within a square mile, Horn Jewelers has been able to grow and succeed due to their reputation for trustworthiness, their customer service-centered business model, and the support of several of SBA's participating lenders.

Since 2003, SBA's capital access programs have served as the foundation on which Kyong and her family leveraged all of their hard work. This was certainly true recently when Horn Jewelers applied for and received an SBA Express working capital loan. Because SBA has zeroed out fees on loans of \$150,000 or less from 2014 through the end of fiscal year 2015, the company saved a great deal of money, enabling the business to grow to the next level.

The fruit of an immigrant's dream for a better life for herself and her family, Horn Jewelers is now managed by Kyong's daughter, Stephanie Horn. Stephanie is a GIA Certified Diamond Specialist and Gemologist, who is currently transforming and modernizing Horn Jewelers into a full-service jewelry company with eight specialty departments, including: a loose diamond stock room, showroom, creative design team, goldsmiths, and engraving specialists – all onsite to deliver a one-stop shopping experience. Stephanie is intent on turning Horn Jewelers from a small family business into a local business empire, cementing her mother's dream for a legacy in the jewelry business...and she knows the SBA and its participating lenders will be there to help her mother's dream come true.



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