

# ARKANSAS SBA NEWS

Arkansas District Office  
Suite 250  
2120 Riverfront Drive  
Little Rock, AR 72202  
[www.sba.gov/ar](http://www.sba.gov/ar)

July 2009

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## SBA ARC Loan Program

If your small business is stressed meeting expenses during these economic times, the U.S. Small Business Administration has a new loan program designed just for you.

SBA's America's Recovery Capital (ARC) Loan Program can provide up to \$35,000 in short-term relief for viable small businesses facing immediate financial hardship to help ride out the current uncertain economic times and return to profitability. Each small business is limited to one ARC loan.

**ARC loans will be offered by some SBA lenders for as long as funding is available or until September 30, 2010, whichever comes first.**

ARC loans are available to viable, for-profit small businesses in the U.S. that have qualifying small business loans and are experiencing immediate financial hardship.

Your small business must be an established business, have financial statements demonstrating it was profitable in one of the past two years, and be able to project sufficient cash flow to meet current and future loan payments over a two-year period from loan approval. If your business does not meet these criteria, you can discuss your eligibility with your lender. **ARC loans are not designed for start-up businesses.**

Examples of qualifying loans may include credit card obligations for your business, capital leases, notes payable to vendors/suppliers, Development Company Loan Program (504) first lien loans, other loans to small businesses made without an SBA guaranty, and loans made by or with an SBA guaranty on or after Feb. 17, 2009.

ARC loans are designed to help businesses experiencing immediate financial hardship for reasons such as:

- Loss/reduction of customer base
- Increase in cost of doing business
- Loss/reduction of working capital and/or loss/reduction of short-term credit facilities
- Inability to restructure existing debts due to credit restrictions
- Loss/reduction of employees (intellectual capital)
- Loss/reduction of major suppliers (major suppliers out of business)

Borrowers whose loans are already severely delinquent or whose past performance or future cash flow indicates that the business is not viable are not good candidates for an ARC loan.

Contact your local SBA lender to apply for an ARC loan..

## Newsletter Contacts

Carol Silverstrom  
Assistant District Director  
Business Development  
(501) 324-7379, x227  
[carol.silverstrom@sba.gov](mailto:carol.silverstrom@sba.gov)

Chuck Davis  
Business Development  
Specialist  
(501) 324-7379, x239  
[charles.davis@sba.gov](mailto:charles.davis@sba.gov)

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Your Small Business Resource

# SCORE CORNER

In the current economic times, SCORE is providing counseling to an ever increasing number of existing small businesses in some type of difficulty. Common issues are reduced sales, cash flow problems, difficulty in paying current bills, and too much debt.

These issues usually turn out to be symptoms of the problem and not the real problem.

Many times as we counsel our clients, we find:

- owners are not producing monthly balance sheets, income statements and cash flow statements.
- owners are not reviewing their current balance sheets, income statements and cash flow statements monthly and are not taking the time to understand what these reports are telling them.
- these owners tend to get into financial difficulty faster than owners who review and monitor their reports on a current basis.
- owners do not have a current, written business plan or do have one but are not following it.

These business owners are sort of like a ship with no rudder whose destination depends more on the winds than on the skills of the captain.

SCORE recommends that small businesses have written business plans and follow them daily and that the small business owners make a detailed review of the businesses' monthly financial reports.

For more information about starting or running a small business, call Little Rock SCORE at 501-324-7379 ext 302 or visit our web site at [www.littlerock.scorechapter.org](http://www.littlerock.scorechapter.org).

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## FROM THE ARKANSAS DISTRICT DIRECTOR



It seems like nearly every day we learn about some well known company or group of companies that file for bankruptcy protection. I am reminded of what I already knew -- sometimes success in business is measured in terms of just weathering the storm.

We have the Small Business Stimulus package (a.k.a. The Recovery Act) that is beginning to take hold and we are optimistic that in many instances it will be able to help companies financially. The ARC loan program came on board on June 15 .

However, it is important not to overlook the wonderful management assistance resources available through the Arkansas Small Business and Technology Development Centers and SCORE. Since the economy took its turn for the worse, both of these organizations have been inundated with requests for management assistance. They can help, but it is important not to wait too long to ask for it.

Linda R. Nelson, CPA  
District Director  
Arkansas District Office

## IRS's Stakeholder Liaison: partnering with organizations serving tax professionals, small businesses and self-employed taxpayers

IRS's Stakeholder Liaison organization is unique among its peers. While other IRS functions are collecting taxes or examining returns, Stakeholder Liaison gives away its goods, providing tax professionals and the small business community the latest tax information and resources the IRS has to offer – and at a price that can't be beat: for free.

**Reach out and learn** – Local stakeholder liaisons collaborate with tax professional organizations, small business groups and industry associations to provide tax education and information for their members. Stakeholder liaisons also participate in tax-related events throughout the country, including the annual [Nationwide Tax Forums](http://www.irs.gov/taxpros/article/0,,id=173843,00.html) for tax professionals (<http://www.irs.gov/taxpros/article/0,,id=173843,00.html>).

Local stakeholder liaisons conduct small business forums, opportunities for government organizations and small businesses to exchange ideas and discuss current and emerging issues. These workshops create opportunities for dialogue between the IRS and the tax professional and small business communities. Stakeholder liaisons also host practitioner liaison meetings with representative groups of local tax professionals.

Stakeholder Liaison delivers educational initiatives indirectly by supporting and assisting organizations that deliver Small Business Tax Workshops. They also coordinate phone forums: free, large-capacity conference calls that deliver comprehensive information on pertinent tax topics in a personal way. Search: [tax workshops](http://www.irs.gov/businesses/small/article/0,,id=99202,00.html) (<http://www.irs.gov/businesses/small/article/0,,id=99202,00.html>).

**Resolve the issue** – IRS's [Practitioner Priority Service](http://www.irs.gov/taxpros/article/0,,id=98549,00.html) (866-860-4259) (<http://www.irs.gov/taxpros/article/0,,id=98549,00.html>) is the tax professional's first stop for tax account-related issues but if you encounter an issue with an IRS program or policy, tell your local stakeholder liaison. If the issue is significant nationally, it will go into the Issue Management Resolution System, which IRS uses to capture, report on and respond to issues that practitioners and small business leaders bring to the agency's attention. A monthly IMRS summary on IRS.gov shows new and resolved issues. Search: [IMRS](http://www.irs.gov/businesses/small/article/0,,id=158507,00.html) (<http://www.irs.gov/businesses/small/article/0,,id=158507,00.html>).

**Read all about it** – The IRS issues news briefs via two electronic newsletters written specifically for tax professionals and small businesses. *E-News for Tax Professionals* links to IRS news and information for tax pros and often addresses topics submitted by practitioners via their local stakeholder liaisons. *E-News for Small Businesses* is tailored for small business owners and self-employed individuals. Visit IRS.gov and search: [subscription](http://www.irs.gov/taxpros/article/0,,id=99120,00.html) (<http://www.irs.gov/taxpros/article/0,,id=99120,00.html>) to subscribe to these and other IRS newsletters.

**IRS is on the Web. Are you?** – Your local stakeholder liaison can help you create a tax center on your organization's Web site that links to federal tax information tailored for your members. Visit [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz) (<http://www.irs.gov/businesses/small/index.html>) for resources for tax professionals, small businesses, and organizations that serve them.

**Local Contacts**—For assistance in Arkansas, contact the Stakeholder Liaison employee below.

**Name:** Gregory O. Metcalf

**Phone:** 501-396-5912

**Fax:** 501-396-5767

**E-Mail:** [Gregory.O.Metcalf@irs.gov](mailto:Gregory.O.Metcalf@irs.gov)



## ETC Engineers and Architects, Inc. Engineered to Succeed

Mizan Rahman is the owner of ETC Engineers and Architects, Inc., one of central Arkansas' foremost civil engineering companies. Mizan's successful company has taken years to build but from the day he first set foot in Arkansas he felt that it would happen. Arkansas is, after all – the Land of Opportunity.

He was born in Dacca, Bangladesh, the son of a veterinarian. He attended the University of Engineering and Technology at Dacca and received his BS Degree in Civil Engineering in 1969. After graduating, he immediately applied for and received a United States Agency for International Development (USAID) In-Service Training Scholarship to go to graduate school in the United States. His scholarship was canceled in 1971 because of the war between Bangladesh and Pakistan. USAID placed him with the United States Geological Survey and he went to work testing water quality at their laboratory in Little Rock. Here he met his future wife, Libby; they were married in 1971. Before they settled down they took a year off to travel through Europe

Mizan's first job after returning to Arkansas was with a large privately held engineering firm. He also completed a Masters in Science degree in Civil Engineering at the University of Arkansas at Fayetteville and a Masters in Business Administration Degree from Webster University. After seven years he decided that he wanted to start a firm of his own but didn't know if a foreigner from Bangladesh would be accepted by the community.

He didn't have enough money to start the company on his own so he arranged for a \$36,000 SBA-guaranteed line of credit from First Commercial Bank (now Regions Bank) in Little Rock. With this financial assistance, the company opened in late 1978. The company also benefited from SBA's 8(a) Business Development Program and completed its program term in 1994. The SBA's 8(a) BD Program, named for a section of the Small Business Act, is a business development program created to help small disadvantaged businesses compete in the American economy and access the federal procurement market. Companies in the 8(a) program have the opportunity to self-market for contracts on a sole source basis and to compete for contracts with other 8(a) contractors. In addition, SBA provides business development training to assist these companies in their endeavors.

Those who know Mizan know now that he had little to worry about. His upbeat personality and smile that lights up the room makes him friends wherever he goes. That, coupled with simple hard work, will succeed anywhere and it worked here.

Currently ETC Engineers and Architects, Inc. is located at 1510 South Broadway in Little Rock. The firm employs 13 engineers, architects and support staff. It specializes in the design of roads, water systems and sewerage systems. Major projects and clients include the Jacksonville Cut-off Road Improvements, University of Arkansas at Pine Bluff Infrastructure development and the City of Maumelle.