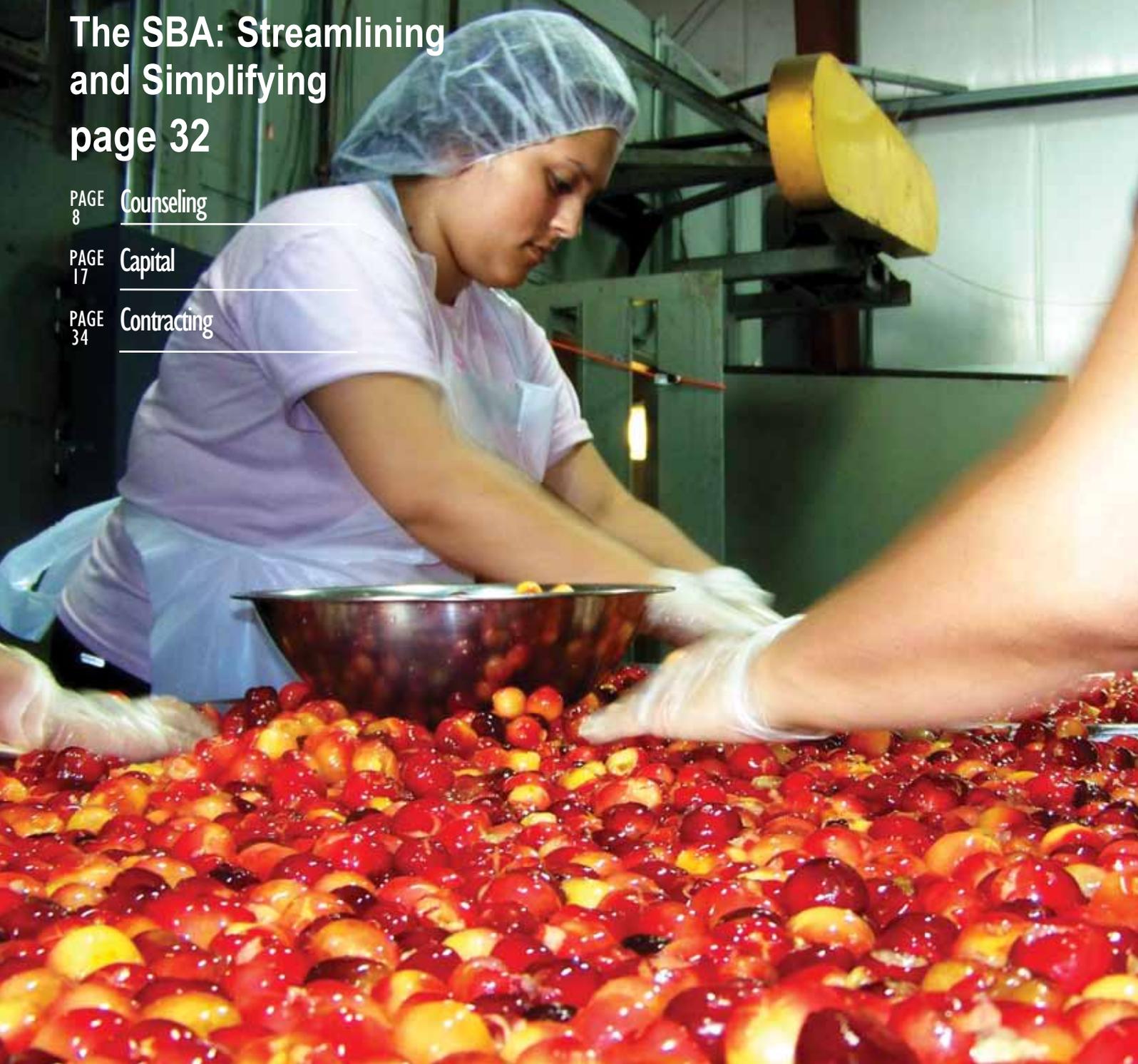


**The SBA: Streamlining  
and Simplifying**  
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# SMALL BUSINESS content

2012-2013 VERMONT

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*On the Cover:  
Maryana Garcia, an employee at Chukar Cherries in Prosser, Wa., sorts the fruit. Chukar Cherries, in business since 1988 and a past-recipient of an SBA award.*

*Photography Credit:  
Anna King, Northwest News Network*



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of a healthier Vermont



*We're  
different*

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



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## FROM THE ADMINISTRATOR



Over the last two decades, small and new businesses have been responsible for creating two out of every three net new jobs in the United States, and the country's 28 million small firms today employ 60 million Americans — that's

fully half of the private sector workforce.

At the SBA, and across the administration, we are focused on making sure that entrepreneurs and small business owners have the tools, resources and relationships you need to do what you do best: grow and create jobs.

Over the past three years, the SBA has streamlined and simplified its programs to better serve the small business community. These program enhancements are focused on providing more access and opportunity for capital, counseling and contracting for small businesses like yours all across the country.

One example is our newly re-engineered CAPLines program, which is designed to help small businesses meet their short-

term and cyclical working-capital needs. To strengthen the program, we talked to lenders and small business owners about how to make CAPLines more efficient and effective. As a result, we streamlined the paperwork and allowed banks to use more of their own processes, and we are now seeing loan volumes up more than 220 percent.

I hope this guide helps you take advantage of some of the tools we offer at the SBA. If you want additional information about any of our programs or initiatives, we have a wide range of online tools, including SBA.gov, which provides access to SBA Direct, a tool that connects you to SBA resources in your local area. You can also join the SBA online community and connect with other small business owners.

Warm regards,

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

**Karen G. Mills**  
*Administrator*  
*U.S. Small Business Administration*

## About the SBA

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

### *Your Small Business Resource*

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

*Resources and programs targeting small businesses provide an advantage necessary to help small businesses compete effectively in the marketplace and strengthen the overall U.S. economy.*

**SBA offers help in the following areas:**

- *Counseling*
- *Capital*

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

*Visit SBA online at [www.sba.gov](http://www.sba.gov) for 24/7 access to small business news, information and training for entrepreneurs.*

*All SBA programs and services are provided on a nondiscriminatory basis.*

# SBA loans for small businesses with big ambitions.

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## Message From The District Director

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Tel: 802-828-4422 Fax: 802-828-4485

Website: [www.sba.gov/vt](http://www.sba.gov/vt)



## Rules For Success

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

**W**elcome to the 13th annual edition of the Vermont Small Business Resource guide.

Whether you're starting or expanding a business, SBA's Vermont District Office and our partners can help you lay the foundation for your success. Check out the many organizations, such as SCORE, Vermont Small Business Development Center, and Vermont Women's Business Center, that will offer free, one-on-one business advisory services to help you with your business plan, secure financing, develop marketing strategies, establish an accounting system and much more. And don't forget to visit our website at [www.sba.gov/vt](http://www.sba.gov/vt) for many other resources, such as our online small business training network.

Whether you choose a state, federal, or local organization to assist you, this guide will direct you to many

resources located near you and your business. So, mobilize support for your business dreams. Make some calls, and you will soon find the information you need to bring your dreams to fruition. Our surveys have steadily shown that those who utilize these resources are more likely to stay in business longer and be more profitable. Whatever your business goals are, we'd like to help you reach them.

Please let us know what we can do for you and your business.

Sincerely,

**Darcy Carter**

*District Director of  
SBA's Vermont District Office*

# Doing Business in Vermont

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



## THE VERMONT DISTRICT OFFICE

The Vermont District Office is responsible for the delivery of SBA's many programs and services. The District Director is Darcy Carter. The District Office is located at 87 State Street, Room 205, Montpelier, VT. Office hours are from 8:00 AM until 4:30 PM, Monday through Friday.

## CONTACTING THE VERMONT DISTRICT OFFICE

To contact the Vermont District Office, call 802-828-4422 or find us at [www.sba.gov/vt](http://www.sba.gov/vt).

## SERVICES AVAILABLE

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

They also conduct training events throughout the district - some require a nominal registration fee;

- Assistance to businesses owned and controlled by socially and economically disadvantaged individuals through the Hubzone and 8a Business Development Program;
- A Women's Business Ownership Representative is available to assist women business owners.
- Special loan programs are available for businesses involved in international trade; and,
- A Veterans Affairs Officer is available to assist veterans.



## SUCCESS STORY

**Chach Curtis of Draker  
Vermont Small Business Person  
of the Year**

**Renewable Energy Company  
Projects Another Year of  
Triple-Digit Growth**

After pioneering the concept and cutting-edge means of evaluating solar power generation, Draker Laboratories, Burlington, VT, had a well-deserved reputation for technical leadership. The company's founder, A.J. Rossman, had worked with one of the U.S. Small Business Administration's resource partners, the VT Small Business Development Center, receiving information and counseling on the Small Business Innovation Research Program. However, the company failed to gain traction and market share, and during the ten years following its founding in 1999, it remained a scrappy startup with mixed success and minimal growth.

By the fall of 2009, Draker Labs had only \$5,000 cash on-hand, its sales had stagnated, and the company's survival was in doubt. That same fall, Charles "Chach" Curtis joined Draker Labs as its new CEO. Curtis restructured every aspect of the business in a dynamic stream of change producing commensurate growth

at every turn. Curtis expanded product and service offerings, broadened the customer base to include global energy developers like Johnson Controls, Chevron Energy Solutions, ConEdison Development, BP Solar, and Siemens Energy Technologies, and increased Draker's staff from 8 to 47 employees.

In addition, Curtis raised more than \$5.5 million to support the company's rapid growth: \$3.5 million of new private equity capital; \$525,000 of state and federal debt financing from the Vermont Economic Development Authority and ARRA; and a \$1.5 million credit facility. Under the leadership of Chach Curtis, Draker Labs posted two consecutive years of more than 250% revenue growth and is projecting another year of triple-digit growth in 2012. The company is currently delivering products and services to the largest solar project ever built in Canada.

As a former renewable energy developer himself, Curtis understood well the needs of Draker customers. Propelling the company's rapid growth were several key insights, including the creation of tiered product and service offerings at escalating price/value points for each segment; expanding the company's focus on selling value-added software services; anticipating the growth in large, utility scale solar power plants and championing Draker's design of monitoring solutions to meet the requirements of these more complex utility-scale projects.

Further, Curtis realized customers are not adequately trained to understand Draker's sophisticated performance analysis tools. With this in mind, he led the development of a network operations center to monitor, interpret, troubleshoot and recommend solutions to customers. The operations center also represents a new source of revenue and profit that will accelerate the company's positive earnings. These and other Curtis initiatives have increased Draker's domestic market share three-fold, from under 10% in 2009 to 25% today.

Under Curtis's leadership, the company tripled its office space in Vermont to 12,000 sq. ft. and opened a new West Coast office in California. Draker Labs also plans to open a New Jersey office by the end of the year. The company also expects to continue adding to its employee base. The company's 2012 budget calls for hiring an additional 45 employees, which would bring total staffing to a projected 92 by year-end 2012. Approximately 15 of these new positions are already posted for immediate hire.

Throughout this rapid evolution, Curtis provided exceptional leadership and turned the company around by changing its organizational structure, providing clarity, raising private capital and delivering record growth. In fact, Draker quickly became a leader in Vermont's "green economy" by providing high-paying, sustainable jobs in the fast-growing renewable

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# COUNSELING

Getting Help to Start Up, 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 loans and business management skills. If you're already in business, you can use the SBA's resources to help manage and expand your business, obtain government contracts, recover from disaster, find foreign markets, and make your voice heard in the federal government.

You can access SBA information 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. These professionals can help with writing a formal business plan, locating sources of financial assistance, managing and expanding your business, finding opportunities to sell your goods

or services to the government, and recovering from disaster. To find your local district office or SBA resource partner, visit [www.sba.gov/sba-direct](http://www.sba.gov/sba-direct).

## SCORE

SCORE is a national network of over 14,000 entrepreneurs, business leaders and executives who volunteer as mentors to America's small businesses. SCORE leverages decades of experience from seasoned business professionals to help small businesses start, grow companies and 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 370 offices and 800 locations throughout the country, SCORE provides key services – both face-to-face and online – to busy entrepreneurs who are just getting started or 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 networks. SCORE can help you as they have done for more than 9 million clients 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 nearly 7,000 local business training workshops and seminars ranging in topic and scope depending on the needs of the local business community such as offering 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 trends go to the SCORE website ([www.score.org](http://www.score.org)). More than 1,500 online mentors with over 800 business skill sets answer your questions about starting and running a business. In fiscal year 2011, SCORE mentors served 400,000 entrepreneurs.

For information on SCORE and to get your own business mentor, visit [www.sba.gov/score](http://www.sba.gov/score), go to [www.SCORE.org](http://www.SCORE.org) or call 1-800-624-0245 for the SCORE office nearest you.

### Champlain Valley SCORE serving Chittenden County

11 Lincoln St.  
Essex Junction, VT 05452  
802-951-6762  
[Champlain.valley@scorevolunteer.org](mailto:Champlain.valley@scorevolunteer.org)  
[www.champlainvalley.score.org](http://www.champlainvalley.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.

St Albans Branch serving Franklin & Grand Isle Counties.  
Middlebury Branch serving Addison County.  
Rutland Branch serving Rutland County.  
Manchester Branch serving Bennington County.

### Upper Valley SCORE serving Windsor County

Citizens Bank Bldg., Rm. 316  
Lebanon, NH 03766  
603-448-3491  
score@valley.net  
www.uppervalley.score.org

### Montpelier SCORE serving Lamoille, Orange, Washington Counties

87 State St., Rm. 203/P.O. Box 605  
Montpelier, VT 05601-0605  
802-828-4422 ext. 217  
Montpelier.score@scorevolunteer.org  
www.montpelier.score.org

St. Johnsbury Branch serving Caledonia, Essex and Orleans Counties.  
Brattleboro Branch serving Windham County.

## SMALL BUSINESS DEVELOPMENT CENTERS

The U.S. Small Business Administration's Small Business Development Center (SBDC) program's mission is to build, sustain, and promote small business development and enhance local economies by creating businesses and jobs. This is accomplished by the provision and ensuing oversight of grants to colleges, universities and state governments so that they may provide business advice and training to existing and potential small businesses.

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

In addition to its core services, the SBDC program offers special focus areas such as green business technology, disaster recovery and preparedness, international trade assistance, veteran's assistance, technology transfer and regulatory compliance.

The program combines a unique mix 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 2011:

- Assisted more than 13,660 entrepreneurs to start new businesses – equating to 37 new business starts per day.
- Provided counseling services to more than 106,000 emerging entrepreneurs and nearly 100,000 existing businesses.
- Provided training services to approximately 353,000 clients.

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



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come first.**

**To my bank,  
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For information on the SBDC program, visit [www.sba.gov/sbdc](http://www.sba.gov/sbdc). To schedule an appointment for counseling or to see the seminar schedule, contact the center nearest you from the list below.

#### SBDC Lead Center

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lquillen@vtsbdc.org  
Linda Rossi, Associate State Director  
lrossi@vtsbdc.org  
Heather M. Gonyaw, Assistant State Director  
hgonyaw@vtsbdc.org  
Peter Crawford,  
Regulatory Assistance Program Director  
pcrawford@vtsbdc.org  
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Randolph Center, VT 05061-0188  
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802-728-3026 Fax  
www.vtsbdc.org

Patrick Ripley, Broadband Business Advisor (statewide)  
e-Vermont Community Broadband Project  
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Randolph Center, VT 05061  
802-595-3388 • 802-728-3026 Fax  
pripely@vtsbdc.org

Scott Holson,  
Technology & Commercialization Advisor  
145 Billings Farm Rd.  
White River Junction, VT 05001  
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sholson2@vtsbdc.org

#### Northwestern Vermont

##### Greater Burlington Industrial Corporation

Steve Densham, Area Business Advisor  
60 Main St./P.O. Box 786  
Burlington, VT 05402-0786  
sdensham@vtsbdc.org  
802-658-9228 ext. 13 • 802-860-1899 Fax

##### Franklin County Industrial Development Corporation

Steve Densham, Area Business Advisor  
P.O. Box 1099  
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sdensham@vtsbdc.org  
802-524-2194 • 802-524-6793 Fax

##### Lake Champlain Islands Chamber of Commerce

Steve Densham, Area Business Advisor  
P.O. Box 213  
North Hero, VT 05474-0213  
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lbutler@vtsbdc.org

#### Southwestern Vermont

##### Rutland Economic Development Corporation

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802-773-9147 • 802-773-8009 Fax  
bdeclue@vtsbdc.org  
Chris Herriman, VTPTAC Advisor for Rutland & Bennington Counties  
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Steve Paddock, Agricultural Business Advisor & VT Tech Enterprise Center Director  
1590 Rte. 7 S., Ste. 8  
Middlebury, VT 05753  
802-388-7953 • 802-388-0119 Fax  
spaddock@vtsbdc.org

#### Northeastern Vermont

##### Northeastern Vermont Development Association

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rhart@vtsbdc.org  
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802-748-1014 • 802-748-1223 Fax  
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Brenda Plastridge, VTPTAC Counselor  
bplastridge@vtsbdc.org  
79 Coventry St., Ste. 4C  
Newport, VT 05855  
802-334-9377  
802-661-8743 (cell)

##### Center for Rural Entrepreneurship

Ann Nygard, Director  
Lyndon State College  
1001 College Rd./P.O. Box 919  
Lyndonville, VT 05851  
802-626-4867  
ann.nygard@lsc.vsc.edu

##### The Center for an Agricultural Economy

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hkrantz@vtsbdc.org  
21 Mill Street – P.O. Box 451  
Hardwick, VT 05483  
802-472-5362 ext. 3 • 802-728-3026 Fax

#### Central Vermont

##### Central Vermont Economic Development Corporation

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P.O. Box 1439  
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802-223-4654 • 802-223-4655 Fax  
drubel@vtsbdc.org

#### Lamoille Economic Development Corporation

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802-885-3027 Fax  
dboudrieau@vtsbdc.org

##### Brattleboro Development Credit Corporation

Debra Boudrieau, Area Business Advisor  
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Brattleboro, VT 05301  
802-257-7731 • 802-257-0294 Fax  
dboudrieau@vtsbdc.org

## WOMEN'S BUSINESS CENTERS

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

To meet the needs of women entrepreneurs, WBCs offer services at convenient times and locations, including 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 at a small fee. Some centers will also offer scholarships based on the client's needs.

While most WBCs are physically located in one designated location, a number of WBCs also provide courses and counseling via the Internet, mobile classrooms and satellite locations. WBCs have a track record of success. In fiscal year 2011, the WBC program counseled and trained nearly 139,000 clients, creating local economic growth and vitality. In addition, WBCs helped entrepreneurs access more than \$134 million dollars in capital, representing a 400 percent increase from the previous year. Of the WBC clients that have received 3 or more hours of counseling, 15 percent indicated that the services led to hiring new staff, 34 percent indicated that the services led to an increased profit margin, and 47 percent indicated that the services led to an increase in sales.

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

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

#### **Vermont Women's Business Center**

Laura Lind-Blum, Director  
327 U.S. Rte. 302  
Barre, VT 05641  
802-479-9813  
[llindblum@cvcac.org](mailto:llindblum@cvcac.org)  
[www.vwbc.org](http://www.vwbc.org)

#### **Women's Business Programs Vermont Commission On Women**

The Vermont Commission on Women, as a state agency, works to shape policy by educating and informing the public on economic, social and health related issues and find long-term solutions to problems that confront women and their families. Some topics addressed are employment discrimination, child support, domestic violence, sexual harassment and entrepreneurship. The Commission maintains an on-line resource guide on a variety of women's

issues and can provide information for women starting or expanding businesses in Vermont.

#### **For more information, contact: Vermont Commission on Women**

126 State St.  
Montpelier, VT 05633-6801  
802-828-2851 or 800-881-1561  
802-828-2930 Fax  
[info@women.state.vt.us](mailto:info@women.state.vt.us)  
[www.women.state.vt.us](http://www.women.state.vt.us)

#### **Vermont Women's Business Center**

Vermont Women's Business Center offers comprehensive services to assist start-up and established businesses. It functions as a call-in, walk-in resource center for programs in the areas of business development, technology training and support, procurement opportunities, counseling, lending assistance, mentoring and networking.

For more information, contact:

#### **Vermont Women's Business Center**

Laura Lind-Blum, Director  
327 U.S. Rte. 302  
Barre, VT 05641  
802-479-9813  
[llindblum@cvcac.org](mailto:llindblum@cvcac.org)  
[www.vwbc.org](http://www.vwbc.org)

#### **Women's Agricultural Network (WAgN)**

Women's Agricultural Network (WAgN) provides top quality education and technical assistance to women starting or enhancing farms and ag-related businesses. WAgN hopes to increase the number of women owning farm-related businesses and increase the profile of women in leadership positions throughout the entire agricultural sectors of business, government and community. For more information, contact:

#### **Women's Agricultural Network (WAgN)**

Mary Peabody, Director  
UVM Extension  
617 Comstock Rd., Ste. 5  
Berlin, VT 05602-9194  
802-223-2389 ext. 13  
Beth Holtzman, Coordinator  
802-223-2389 ext. 15  
[www.uvm.edu/wagn](http://www.uvm.edu/wagn)

#### **Women's Small Business Program**

The Women's Small Business Program empowers women with the knowledge and skills necessary to evaluate business ownership as a possibility and the

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tools to succeed. "Getting Serious" is a short course to explore business ideas and self assessment. "Start Up" is a semester long comprehensive hands-on business training course. Students learn how to evaluate the financial viability of a business idea, further business expansion, and complete a bank ready business plan in a supportive environment with the help of three highly skilled women teachers. For more information, contact:

**Women's Small Business Program**

Gwen Pokalo  
255 S. Champlain St., Ste. 8  
Burlington, VT 05401  
802-846-7338  
gpokalo@mercyconnections.org  
www.wsbp.org

**EMERGING LEADERS (e200) INITIATIVE**

The SBA's Emerging Leaders (e200) Initiative is currently hosted in 27 markets across the country using a nationally demonstrated research-based

curriculum that supports the growth and development of small to medium-sized firms that have substantial potential for expansion and community impact. A competitive selection process results in company executives participating in high-level training and peer-networking sessions led by professional instructors.

Post-training, social and economic impact results from responding executives who participated in the 2008 – 2010 training classes indicate:

- More than half of participating businesses reported an increase in revenue, with average revenue of \$1,879,266.
- Participating businesses averaged \$2 million in revenue, with new cumulative financing of \$7.2 million secured in 2010.
- Nearly half of the participants secured federal, state, local and tribal contracts worth a cumulative total of \$287 million.
- Approximately half of the participants have hired new workers, creating 275 new jobs in 2010.

- All participants were trained on becoming SBA 8(a) certified firms; nearly 25 percent of respondents are currently certified as SBA 8(a) firms, while other participants reported a focused intention on applying to the 8(a) program.
  - Nearly 50 percent of participating respondents were female executives and 70 percent were minority business executives.
  - 85 percent of responding executives were Satisfied or Very Satisfied with the overall training series and results.
- To find out more about this executive-level training opportunity, please visit [www.sba.gov/e200](http://www.sba.gov/e200) for host cities, training schedules, and selection criteria.

**SBA'S ONLINE TOOLS AND TRAINING**

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

**Key Features of the Small Business Training Network:**

- Training is available anytime and anywhere — all you need is a computer with Internet access.
  - More than 30 free online courses and workshops available.
  - Templates and samples to get your business planning underway.
  - Online, interactive assessment tools are featured and used to direct clients to appropriate training.
- Course topics include a financial primer keyed around SBA's loan-guarantee programs, a course on exporting, and courses for veterans and women seeking federal contracting opportunities, as well as an online library of podcasts, business publications, templates and articles.

Visit [www.sba.gov/training](http://www.sba.gov/training) for these free resources.



**AWARD WINNERS**



**Small Business Person of the Year**  
Chach Curtis Draker  
Burlington, VT



**Financial Services Champion**  
Vermont Economic Development Authority  
Montpelier, VT



**Small Business Exporter of the Year**  
Nathaniel Group, Inc.  
Vergennes, VT



**Home-Based Business Champion**  
Simeon Geigel  
Micro Business Development Program  
Champlain Valley Office of Economic Opportunity  
Burlington, VT



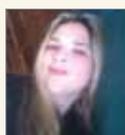
**Jeffrey Butland Family-Owned Small Business**  
James Mount  
and



Karen Mount Westaff  
Burlington, VT



**Vermont Micro-Enterprise**  
Andrew Boutin  
Pellergy, LL  
Montpelier, VT



**Women in Business Champion**  
Sarah Spencer  
Got Clicks?  
Richmond, VT



**Vermont Community/Rural Lender**  
Passumpsic Savings Bank  
St. Johnsbury, VT



**Special Award for Disaster Assistance**  
Linda Rossi, Associate State Director  
Vermont Small Business Development Center



**Volunteer Perseverance Award**  
Laura Sibilia  
East Dover, VT



**Business Perseverance Award**  
William Mathewson  
Home Comfort Warehouse  
White River Junction, VT

# REACHING UNDERSERVED COMMUNITIES

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

## WOMEN BUSINESS OWNERS

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

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

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

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

## VETERAN BUSINESS OWNERS

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

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

The agency offers special assistance for small businesses owned by activated Reserve and National Guard members. Any self-employed Reserve or Guard member with an existing SBA loan can request from their SBA lender or SBA district office loan payment deferrals, interest rate reductions and other relief after they receive their activation orders. In addition, the SBA offers special low-interest-rate financing to small businesses when an owner or essential employee is called to active duty. The Military Reservist Economic Injury Disaster Loan Program (MREIDL) provides loans up to \$2 million to eligible small businesses to cover operating costs that cannot be met due to the loss of an essential employee

called to active duty in the Reserves or National Guard.

Each of the SBA's 68 District Offices also has a designated veteran's business development officer. These local points-of-contact assist veteran small business owners/entrepreneurs with starting, managing and growing successful small firms. Yearly, OVBD reaches thousands of veterans, Reserve component members, transitioning service members and others who are – or who want to become – entrepreneurs and small business owners. In fiscal year 2011, the number of veterans assisted through OVBD programs exceeded 135,000.

## VETERANS BUSINESS OUTREACH CENTERS

The Veterans Business Outreach Program (VBOP) provides entrepreneurial development services to eligible veterans owning or considering starting a small business. The SBA has 15 Veterans Business Outreach Centers (VBOCs) that deliver a full-range of business assistance to veteran entrepreneurs and self-employed members of the Reserve and National Guard. Assistance to these entrepreneurs and small business



# REACHING UNDERSERVED COMMUNITIES

COUNSELING

owners includes 1) pre-business plan workshops, 2) concept assessment, 3) business plan preparations, 4) comprehensive feasibility analysis, 5) entrepreneurship training and 6) mentorship.

VBOCs aid clients in assessing their entrepreneurial needs and requirements, in developing and maintaining five-year business plans, and in evaluating and identifying the strengths and weaknesses in their business plans to increase the probability of success while simultaneously using the analysis to revise the strategic planning section of their business plans. Working with other SBA resource partners, VBOCs target entrepreneurial training projects and counseling sessions tailored specifically to address the needs and concerns of service-disabled veteran entrepreneurs.

Among SBA's unique services for veterans are: the Entrepreneurship Bootcamp for Veterans with Disabilities in partnership with eight top U.S. universities ([www.whitman.sry.edu/ebv](http://www.whitman.sry.edu/ebv)), WWISE, a program for training female veterans with an interest in and passion for entrepreneurship ([www.syr.edu/wwise](http://www.syr.edu/wwise)), and Operation Endure and Grow, a program for Reservists and their family members ([www.whitman.sry.edu/endureandgrow](http://www.whitman.sry.edu/endureandgrow)).

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

## NATIONAL BOOTS TO BUSINESS INITIATIVE

The aptly named Operation Boots to Business program builds on SBA's role as a national leader in entrepreneurship training. It was piloted at four to five sites commencing in October 2012, and will be rolled out across the nation during fiscal year 2013. The SBA will leverage its ongoing collaboration with Syracuse University's Institute for Veterans and Military Families (IVMF) to provide comprehensive training materials specifically geared toward

transitioning service members. SBA's expert Resource Partner network, including Women's Business Centers, SCORE chapters, Small Business Development Centers and Veterans' Business Outreach Centers, are already providing targeted, actionable, real-world entrepreneurship training to more than 100,000 veterans every year, many of whom are service members transitioning out of the military. Through the Boots to Business initiative, SBA Resource Partners will build on these efforts by deploying this expertise at military bases around the country to collaboratively deliver face-to-face introductory entrepreneurship training as a network. Syracuse and its affiliated university partners will then deliver intensive, 8-week online business planning training to those service members who choose such training after the face-to-face introductory course. Of course, counselors and mentors from SBA's Resource Partner network will be there to work with service members throughout the eight-week online course, and thereafter as these service members start their businesses.

The national program, when it is rolled out in fiscal year 2013, will be a robust, four-phase training program. The pilot is a more streamlined three-phase training program.

The national rollout of Operation Boots to Business: from Service to Startup aims to provide exposure to entrepreneurship to the 250,000 service members who transition every year.

## CENTER FOR FAITH-BASED AND NEIGHBORHOOD PARTNERSHIPS

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

The SBA is committed to reaching out to faith-based and community organizations that are eligible to participate in the agency's programs by informing their congregants, members and neighbors about the SBA's programs. In particular, many faith-based and community non-profit organizations can provide a local financing option for entrepreneurs

by becoming SBA Microloan Intermediaries. An SBA Microloan Intermediary often acts as a bank for entrepreneurs and small businesses that might otherwise be unable to find access to capital.

## NATIVE AMERICAN BUSINESS DEVELOPMENT

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

Visit [www.sba.gov/naa](http://www.sba.gov/naa) for more information.



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.

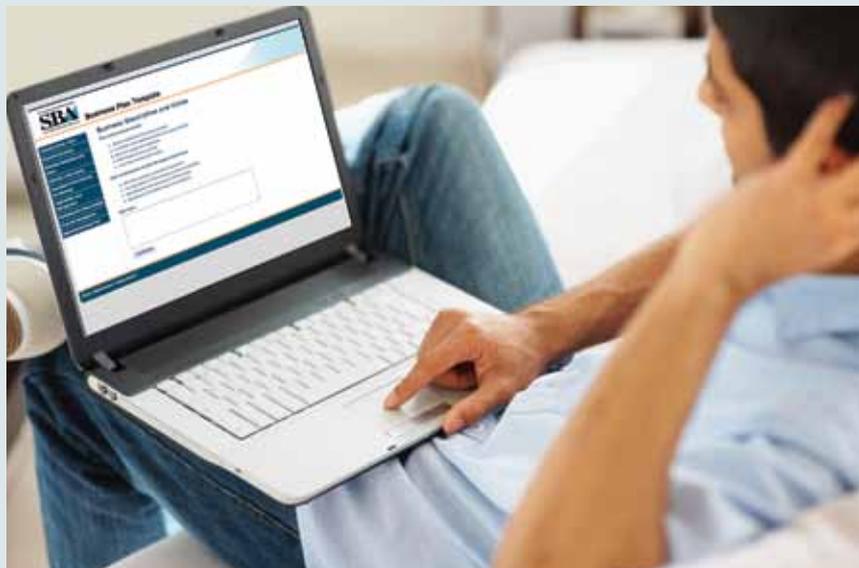
After you've thought about what type of business you want, the next step is to develop a business plan. Think of the business plan as a roadmap with milestones for the business. It begins as a pre-assessment tool to determine profitability and market share, and then expands as an in-business assessment 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, and issues pertinent to your business.
- Account for the equipment necessary to produce your goods or services.
- Account for production and delivery of products and services.

### Concluding Statement

Summarize your business goals and objectives and express your commitment to the success of your business. Once you have completed your business plan, review it with a friend or business associate and professional business counselor like SCORE, WBC or SBDC representatives, SBA district office 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 themselves and must combine what they have with other sources of financing. These sources can include family and friends, venture-capital financing, and business loans.

This section of the Small Business Resource guide discusses SBA's primary business loan and equity financing programs. These are: the 7(a) Loan Program, the Certified Development Company or 504 Loan Program, the Microloan Program and the Small Business Investment Company Program. The distinguishing features for these programs are the total dollar amounts that can be borrowed, the type of lenders who can provide these loans, the uses for the loan proceeds, and the terms placed on the borrower.

**Note:** The SBA does not offer grants to individual business owners to start or grow a business.

### SBA BUSINESS LOANS

If you are contemplating a business loan, familiarize yourself with the SBA's business loan programs to see if they may be a viable option. Keep in mind the dollar amount you seek to borrow and how you want to use the loan proceeds. The three principal

players in most of these programs are the applicant small business, the lender and the SBA. The agency guarantees a portion of the loan (except for microloans). The business should have its business plan prepared before it applies for a loan. This plan should explain what resources will be needed to accomplish the desired business purpose including the associated costs, the applicants' contribution, use of loan proceeds, collateral, and, most important, an explanation of how the business will be able to repay the loan in a timely manner.

The lender will analyze the application to see if it meets the lender's criteria and SBA's requirements. The SBA will look to the lender to do much, if not all, of the analysis before it provides its guaranty on the lender's loan. In the case of microlenders, SBA loans these intermediaries funds at favorable rates to re-lend to businesses with financing needs up to \$50,000. The SBA's business loan programs provide a key source of financing for viable small businesses that have real potential but cannot qualify for long-term, stable financing.

### 7(a) LOAN PROGRAM

The 7(a) Loan program is the SBA's primary business loan program. It is the agency's most frequently used

non-disaster financial assistance program because of its flexibility in loan structure, variety of loan proceeds uses and availability. The program has broad eligibility requirements and credit criteria to accommodate a wide range of financing needs.

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

The SBA guaranty reduces the lender's risk of borrower non-payment. If the borrower defaults, the lender can request the SBA to pay the lender that percentage of the outstanding balance guaranteed by the SBA. This allows the lender to recover a portion from the SBA of what it lent if the borrower can't make the payments. The borrower is still obligated for the full amount.

To qualify for an SBA loan, a small business must meet the lender's criteria and the 7(a) requirements. In addition, the lender must certify that it would not provide this loan under the proposed terms and conditions unless it can obtain an SBA guaranty. If the SBA is going to provide a lender with a guaranty, the applicant must be eligible and creditworthy and the loan structured under conditions acceptable to the SBA.

### Percentage of Guaranties

The SBA only guarantees a portion of any particular loan so each loan will also have an unguaranteed portion, giving the lender a certain amount of exposure and risk on each loan. The percentage the SBA guarantees depends on either the dollar amount or the program the lender uses to obtain its guaranty. For loans of \$150,000 or less the SBA may guaranty as much as 85 percent and for loans over \$150,000 the SBA can provide a guaranty of up to 75 percent.

The maximum 7(a) loan amount is \$5 million. (Loans made under the SBAExpress program, which is discussed later in this section, have a 50 percent guaranty.)

## What to Take to the Lender

Documentation requirements may vary; contact your lender for the information you must supply.

### Common requirements include the following:

- Purpose of the loan
- History of the business
- Financial statements for three years (existing businesses)
- Schedule of term debts (existing businesses)
- Aging of accounts receivable and payable (existing businesses)
- Projected opening-day balance sheet (new businesses)
- Lease details
- Amount of investment in the business by the owner(s)
- Projections of income, expenses and cash flow as well as an explanation of the assumptions used to develop these projections
- Personal financial statements on the principal owners
- Resume(s) of the principal owners and managers.

### How the 7(a) Program Works

Applicants submit their loan application to a lender for the initial review. The lender will generally review the credit merits of the request before deciding if they will make the loan themselves or if they will need an SBA guaranty. If a guaranty is needed, the lender will also review eligibility. The applicant should be prepared to complete some additional documents before the lender sends the request for guaranty to the SBA. Applicants who feel they need more help with the process should contact their local SBA district office or one of the SBA's resource partners for assistance.

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

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

For the Standard, Certified and Preferred methods, the applicant

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

In guaranteeing the loan, the SBA assures the lender that, in the event the borrower does not repay the loan, the government will reimburse the lending institution for a portion of its loss. By providing this guaranty, the SBA is able to help tens of thousands of small businesses every year get financing they might not otherwise obtain.

After SBA approval, the lender is notified that its loan has been guaranteed. The lender then will work with the applicant to make sure the terms and conditions are met before closing the loan, disbursing the funds, and assuming responsibility for collection and general servicing. The borrower makes monthly loan payments directly to the lender. As with any loan, the borrower is responsible for repaying the full amount of the loan in a timely manner.

### What the SBA Looks for:

- Ability to repay the loan on time from the projected operating cash flow;
- Owners and operators who are of good character;
- Feasible business plan;
- Management expertise and commitment necessary for success;
- Sufficient funds, including the SBA guaranteed loan, to operate the business on a sound financial basis (for new businesses, this includes the resources to meet start-up expenses and the initial operating phase);
- Adequate equity invested in the business; and
- Sufficient collateral to secure the loan or all available collateral if the loan cannot be fully secured.

## Interest Rates and Fees

The actual interest rate for a 7(a) loan guaranteed by the SBA is negotiated between the applicant and lender and subject to the SBA maximums. Both fixed and variable interest rate structures are available. The maximum rate comprises two parts, a base rate and an allowable spread. There are three acceptable base rates (Wall Street Journal Prime\*, London Interbank One Month Prime plus 3 percent, and an SBA Peg Rate). Lenders are allowed to add an additional spread to the base rate to arrive at the final rate. For loans with maturities of less than seven years, the maximum spread will be no more than 2.25 percent. For loans with maturities of seven years or more, the maximum spread will be 2.75 percent. The spread on loans under \$50,000 and loans processed through Express procedures may be higher.

Loans guaranteed by the SBA are assessed a guaranty fee. This fee is based on the loan's maturity and the dollar amount guaranteed, not the total loan amount. The guaranty fee is initially paid by the lender and then passed on to the borrower at closing. The funds to reimburse the lender can be included in the loan proceeds.

On any loan with a maturity of one year or less, the fee is just 0.25 percent of the guaranteed portion of the loan. On loans with maturities of more than one year, the normal guaranty fee is 2 percent of the SBA guaranteed portion on loans up to \$150,000; 3 percent on loans over \$150,000 but not more than \$700,000; and 3.5 percent on loans over \$700,000. There is also an additional fee of 0.25 percent on any guaranteed portion over \$1 million.

*\* All references to the prime rate refer to the base rate in effect on the first business day of the month the loan application is received by the SBA.*

### 7(a) Loan Maturities

The SBA's loan programs are generally intended to encourage longer term small-business financing, but actual loan maturities are based on the ability to repay, the purpose of the loan proceeds and the useful life of the assets financed. However, maximum loan maturities have been established: 25 years for real estate; up to 10 years for equipment (depending on the useful life of the equipment); and generally up to seven years for working capital. Short-term loans and revolving lines of credit are also available through the SBA to help small businesses meet their short-term and cyclical working capital needs.

### Structure

Most 7(a) loans are repaid with monthly payments of principal and interest. For fixed-rate loans the payments stay the same, whereas for variable rate loans the lender can re-establish the payment amount when the interest rates change or at other intervals, as negotiated with the borrower. Applicants can request that the lender establish the loan with interest-only payments during the start-up and expansion phases (when eligible) to allow the business time to generate income before it starts making full loan payments. Balloon payments or call provisions are not allowed on any 7(a) loan. The lender may not charge a prepayment penalty if the loan is paid off before maturity, but the SBA will charge the borrower a prepayment fee if the loan has a maturity of 15 or more years and is pre-paid during the first three years.

### Collateral

The SBA expects every 7(a) loan to be fully secured, but the SBA will not decline a request to guaranty a

loan if the only unfavorable factor is insufficient collateral, provided all available collateral is offered. What these two policies mean is that every SBA loan is to be secured by all available assets (both business and personal) until the recovery value equals the loan amount or until all assets have been pledged to the extent that they are reasonably available. Personal guaranties are required from all the principal owners of the business. Liens on personal assets of the principals may be required.

### Eligibility

7(a) loan eligibility is based on four different factors. The first is size, as all loan recipients must be classified as “small” by the SBA. The basic size standards are outlined below. A more in-depth listing of standards can be found at [www.sba.gov/size](http://www.sba.gov/size).

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

- Manufacturing — from 500 to 1,500 employees
- Wholesale Trades — Up to 100 employees

- Services — \$2 million to \$35.5 million in average annual receipts
- Retail Trades — \$7 million to \$35.5 million in average annual receipts
- Construction — \$7 million to \$33.5 million in average annual receipts
- Agriculture, Forestry, Fishing, and Hunting — \$750,000 to \$17.5 million in average annual receipts

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

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speculating, passive investment, pyramid sales, loan packaging, presenting live performances of a prurient sexual nature, businesses involved in gambling and any illegal activity.

The SBA also cannot 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.

### Use of Proceeds

The third eligibility factor is use of proceeds. 7(a) proceeds can be used to: purchase machinery; equipment; fixtures; supplies; make leasehold improvements; as well as land and/or buildings that will be occupied by the business borrower.

#### Proceeds can also be used to:

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

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

### Miscellaneous Factors

The fourth factor involves a variety of requirements such as SBA's credit elsewhere test and utilization of personal assets requirements, where the business and its principal owners must use their own resources before getting a loan guaranteed by 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) program is the most flexible of the SBA's lending programs. The agency has created several variations to the basic 7(a) program to address the particular financing needs of certain small businesses. These special purpose programs are not necessarily for all businesses but may be very useful to some small businesses. They are generally governed by the same rules, regulations, fees, interest rates, etc., as the regular 7(a) loan guaranty. Lenders can advise you of any variations.

### SBAExpress

The SBAExpress guaranty is available to lenders as a way to obtain a guaranty on smaller loans up to \$350,000. The program authorizes select, experienced lenders to use mostly their own forms, analysis and procedures to process, service and disburse SBA-guaranteed loans. The SBA guarantees up to 50 percent of an SBAExpress loan. Loans under \$25,000 do not require collateral. The use of loan proceeds is the same as for any basic 7(a) loan. Like most 7(a) loans, maturities are usually five to seven years for working capital and up to 25 years for real estate or equipment. Revolving lines of credit are allowed for a maximum of seven years.

#### Vermont District Office

P.O. Box 605  
Montpelier, VT 05601  
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### Patriot Express and Other Lending Programs For Veterans

The Patriot Express pilot loan initiative is for veterans and members of the military community wanting to establish or expand a small business. Eligible military community members include:

- Veterans;
- Service-disabled veterans;
- Active-duty service members eligible for the military's Transition Assistance Program;
- Reservists and National Guard members;

- Current spouses of any of the above, including any service member;
- The widowed spouse of a service member or veteran who died during service or of a service-connected disability.

The Patriot Express loan is offered by the SBA's nationwide network of private lenders and features the fastest turnaround time for loan approvals. Loans are available up to \$500,000 and qualify for SBA's maximum guaranty of 85 percent for loans of \$150,000 or less and 75 percent for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to either obtain all collateral or enough collateral so the value is equal to the loan amount.

The Patriot Express loan can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, and inventory or business-occupied real-estate purchases.

Patriot Express loans feature the SBA's lowest interest rates for business loans, generally 2.25 percent to 4.75 percent over prime depending upon the size and maturity of the loan. Your local SBA district office will have a listing of Patriot Express lenders in your area. More information is available at [www.sba.gov/patriotexpress](http://www.sba.gov/patriotexpress).

Self-employed Reserve or Guard members with an existing SBA loan can request from their SBA lender or SBA district office, loan payment deferrals, interest rate reductions and other relief after they receive activation orders. The SBA also offers special low-interest-rate financing of up to \$2 million when an owner or essential employee is called to active duty through the Military Reservist Economic Injury Disaster Loan program (MREIDL) to help cover operating costs due to the loss of an essential employee called to active duty.

### Rural Lender Advantage

The Small/Rural Lender Advantage (S/RLA) initiative is designed to accommodate the unique loan processing needs of small community/rural-based lenders by simplifying and streamlining the loan application process and procedures, particularly for smaller SBA loans. It is part of a broader SBA initiative to promote the economic development of local communities, particularly those facing the challenges of population loss, economic dislocation and high unemployment. Visit [www.sba.gov/content/rural-business-loans](http://www.sba.gov/content/rural-business-loans) for more information.

## Advantage Loans

In early 2011, the SBA rolled out two Advantage loan initiatives aimed at helping entrepreneurs and small business owners in underserved communities gain access to capital.

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

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

More information on both programs is available at [www.sba.gov/advantage](http://www.sba.gov/advantage).

## CAPLines

The CAPLines program for loans up to \$5 million is designed to help small businesses meet their short-term and cyclical working capital needs. The programs can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts, subcontracts, or purchase orders; finance the direct cost associated with commercial and residential construction; or provide general working capital lines of credit. The SBA provides up to an 85 percent guarantee. There are four distinct loan programs under the CAPLine umbrella:

- **The Contract Loan Program** is used to finance the cost associated with contracts, subcontracts, or purchase orders. Proceeds can be disbursed before the work begins. If used for one contract or subcontract, it is generally not revolving; if used for more than one contract or subcontract at a time, it can be revolving. The loan maturity is usually based on the length of the contract, but no more than 10 years. Contract payments are generally sent directly to the lender but alternative structures are available.
- **The Seasonal Line of Credit Program** is used to support buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory. The business must have been in business for a period of 12 months and must have a definite established seasonal pattern. The loan may be used over again after a “clean-up” period of 30 days to finance activity for a new season. These

loans also may have a maturity of up to five years. The business may not have another seasonal line of credit outstanding but may have other lines for non-seasonal working capital needs.

- **The Builders Line Program** provides financing for small contractors or developers to construct or rehabilitate residential or commercial property. Loan maturity is generally three years but can be extended up to five years, if necessary, to facilitate sale of the property. Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. The purchase of the land can be included if it does not exceed 20 percent of the loan proceeds. Up to 5 percent of the proceeds can be used for physical improvements that benefit the property.
- **The Working Capital Line** is a revolving line of credit (up to \$5,000,000) that provides short term working capital. These lines are generally used by businesses that provide credit to their customers. 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.

## International Trade Loan Program

The SBA's International Trade Loan (ITL) is designed to help small businesses enter and expand into international markets and, when adversely affected by import competition, 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 in total financing.

## 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



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maximum guaranty for any working capital component of an ITL is limited to \$4 million. Any other working capital SBA loans that the borrower has are counted against the \$4 million guaranty limit.

### Use of Proceeds

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

### Loan Term

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

### Interest Rates

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

### Exporter Eligibility

- Applicants must meet the same eligibility requirements as for the SBA's standard 7(a) Loan Program.
- Applicants must also establish that the loan will allow the business to expand or develop an export market or, demonstrate that the business has been adversely affected by import competition and that the ITL will allow the business to improve its competitive position. In addition, "indirect export" is an acceptable eligibility criterion for the ITL. Indirect exports occur when the borrower's customer is a U.S.-based business that might incorporate the borrower's product into a final product being exported or an Export Trading Company that purchases a product to be exported. The borrower would need documentation from the exporter-of-record that its product, is, in fact, being exported.

### Foreign Buyer Eligibility

Foreign buyers must be located in those countries wherein 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 payment.
- Additional collateral, including personal guaranties and those assets not financed with ITL proceeds, may be appropriate.

### How to Apply

- A small business seeking an ITL must apply to an SBA-participating lender. The lender will submit a completed Application for Business Loan (SBA Form 4), including all exhibits, to the SBA. Visit <http://www.sba.gov> to find your local SBA district office for a list of participating lenders.
- A small business wanting to qualify as adversely impacted from import competition must submit supporting documentation that explains the impact, and a plan with projections that explains how the loan will improve the business' competitive position.
- A small business expanding exports would need a business plan and export sales projections showing increased export sales and/or global competitiveness as a result of the ITL financing.

### Export Express

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

This loan is subject to the same loan processing, closing, servicing and liquidation requirements as well as the same maturity terms, interest rates and applicable fees as for other SBA loans (except as noted below).

### 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 more than \$350,001 and \$500,000.

### Use of Proceeds

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

### Ineligible Use of Proceeds

Proceeds may not be used to finance overseas operations other than those strictly associated with the marketing and/or distribution of products/services exported from the U.S.

### Exporter Eligibility

Any business that has been in operation, although not necessarily in exporting, for at least 12 full months and can demonstrate that the loan proceeds will support its export activity is eligible for Export Express.

### Foreign Buyer Eligibility

The exporter's foreign buyer must be a creditworthy entity 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 Express lender. Lenders that participate in SBA's Express program are also able to make Export Express loans. Application is made directly to the lender. Lenders use their own application material in addition to the SBA's Borrower Information Form. Lenders' approved requests are then submitted with a limited amount of eligibility information to the SBA's National Loan Processing Center for review.

### Export Working Capital Program

The SBA's Export Working Capital Program (EWCP) assists lenders in meeting the needs of exporters seeking short-term export working capital. Exporters can apply for EWCP loans in advance of finalizing an export sale or contract. With an approved EWCP loan in place, exporters have greater flexibility in negotiating export payment terms — secure in the assurance that adequate financing will be in place when the export order is won.

### Benefits of the EWCP

- Financing for suppliers, inventory or production of export goods.
- Export working capital during long payment cycles.
- Financing for stand-by letters of credit used as bid or performance bonds or down 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 have high capital costs for importers.
- Low fees and quick processing times.

### Guaranty Coverage

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

### Use of Proceeds

- To pay for the manufacturing costs of goods for export.
- To purchase goods or services for export.
- To support standby letters of credit to act as bid or performance bonds.
- To finance foreign accounts receivable.
- Indirect exports also are an eligible use of proceeds. Indirect exports occur when the borrower's customer is U.S.-based businesses that might incorporate the borrower's product in a final product being exported or an Export Trading Company that purchases a product to be exported. The borrower would need documentation from the exporter of record that its product is, in fact, being exported/

### 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

Transaction collateral is typically adequate to secure an EWCP loan via export-related inventory, and the

accounts receivable generated by the export sales, as well as an assignment of proceeds of any letter of credit or insurance policies covering export sales financed with EWCP funds. The SBA requires the personal guarantee of owners with 20 percent or more ownership stake.

### How to apply

Application is made directly to the SBA's 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 request to SBA staff at the local USEAC.

### U.S. Export Assistance Center

There are 20 U.S. Export Assistance Centers located throughout the U.S. They are staffed by SBA, U.S. Department of Commerce and, in some locations, Export-Import Bank of the U.S. personnel, and provide 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: [www.sba.gov/content/us-export-assistance-centers](http://www.sba.gov/content/us-export-assistance-centers). You can find additional export training and counseling opportunities by contacting your local SBA office.

### CERTIFIED DEVELOPMENT COMPANY LOAN PROGRAM (504 LOANS)

The 504 Loan program is an economic development program that supports American small business growth and helps communities through business expansion and job creation. This SBA program provides long-term, fixed-rate, subordinate mortgage financing for acquisition and/or renovation of capital assets including land, buildings and equipment. Some refinancing is also permitted. Most for-profit small businesses are eligible for this program. The types of businesses excluded from

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7(a) loans (listed previously) are also excluded from the 504 loan program.

Loans are provided through Certified Development Companies. CDCs work with banks and other lenders to make loans in first position on reasonable terms, helping lenders retain growing customers and provide Community Redevelopment Act credit.

The SBA 504 loan is distinguished from the SBA 7(a) loan program in these ways:

**The maximum debenture, or long-term loan, is:**

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

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

- Eligible project costs are limited to long-term, fixed assets such as land and building (occupied by the borrower) and substantial machinery and equipment.
- 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.

The SBA's 504 Certified Development Companies serve their communities by financing business expansion needs. Their professional staffs work directly with borrowers to tailor a financing package that meets program guidelines and the credit capacity of the borrower's business. For information, visit [www.sba.gov/504](http://www.sba.gov/504).

**Northern Community Investment Corporation**

51 Depot Sq., Ste. 2/P.O. Box 904  
St. Johnsbury, VT 05819  
802-748-5101 • 802-748-1884 Fax  
Contact: David Keenan  
ncic@ncic.org  
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802-828-5627 • 802-828-5474 Fax  
Contacts: Tom Porter:  
tporter@veda.org • 802-828-5460  
Marie Dussault:  
mdussault@veda.org • 802-828-5461  
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Contact: David W. Blow Jr., VP  
dbl原因@granitestatedev.com  
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**New England Certified Development Corporation**

500 Edgewater Dr., Ste. 555  
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781-928-1100 • 781-928-1101 Fax  
Contact: Elizabeth Trifone, President  
etrifone@newengland504.com or  
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**MICROLOAN PROGRAM**

The Microloan program provides small loans ranging from under \$500 to \$50,000 to women, low-income, minority, veteran, and other small business owners through a network of approximately 160 intermediaries nationwide. Under this program, the SBA makes funds available to nonprofit intermediaries that, in turn, make the small loans directly to entrepreneurs, including veterans. Proceeds can be used for typical business purposes such as working capital, or the purchase of furniture, fixtures, machinery, supplies, equipment, and inventory. Microloans may not be used for the purchase of real estate. Interest rates are negotiated between the borrower and the intermediary. The maximum term for a microloan is seven years.

The program also provides business-based training and technical assistance to microborrowers and potential microborrowers to help them be successful at starting or growing their businesses. Such training and technical assistance may include general business education, assistance with business planning industry-specific training, and other types of training support. Entrepreneurs and small business owners interested in small amounts of business financing should contact 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).

**Northern Community Investment Corporation**

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Montpelier, VT 05601  
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Contact: Sam Buckley  
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## SMALL BUSINESS INVESTMENT COMPANY PROGRAM

There are a variety of alternatives to bank financing for small businesses. The Small Business Investment Company (SBIC) program fills the gap between what owners can fund directly and the needs of the small business for growth capital. Licensed and regulated by the SBA, SBICs are privately owned and managed investment funds that make capital available to qualifying U.S. small businesses. 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 SBIC program provides funding for a broad range of industries. Some SBICs invest in a particular field or industry while others invest more generally. For more information, visit [www.sba.gov/inv](http://www.sba.gov/inv) or contact:

### CEI Community Ventures, Inc.

36 Water St./P.O. Box 268  
Wiscasset, ME 04101  
207-882-7552 • 207-882-7308 Fax  
[www.ceimaine.org](http://www.ceimaine.org)

### New Market Venture Capital

The CEI Community Ventures Fund LLC invests equity capital in qualified regions throughout Maine, New Hampshire, Vermont and Massachusetts. Investments will range from \$100,000 to \$500,000 per deal, but the Fund has the ability to make an equity investment as small as \$50,000. In addition to being targeted toward business in eligible low-income areas, the Fund seeks to apply other socially responsible investment criteria in its underwriting.

### CEI Community Ventures, Inc.

36 Water St./P.O. Box 268  
Wiscasset, ME 04101  
207-882-7552 • 207-882-7308 Fax  
[www.ceimaine.org](http://www.ceimaine.org)

### Revolving Loan Funds

Various revolving loan funds are available throughout the state. To find out more, contact your local Small Business Development Center (SBDC) office see listing in the Entrepreneurial Development section. Regional Development Company (RDC) or Micro Business Development Program (MBDP) see listing in the Other Sources of Assistance section.

### Community Capital of Vermont

Community Capital is a statewide nonprofit loan fund dedicated to providing capital and business development services to support the successful start-up and growth of Vermont-based micro and small businesses. Community Capital targets its financing primarily to businesses owned by individuals of limited income and wealth who cannot access conventional sources of financing. Products include amortizing loans and working capital lines of credit. Community Capital also administers the Vermont Job Start Loan Fund which provides up to \$25,000 in business start-up and expansion financing to income eligible Vermonters. All Community Capital borrowers, including Job Start Loan Fund recipients, also receive up to \$1,500 in grants for post-loan business development opportunities.

### Community Capital of Vermont

107 N. Main St., Ste. 7/P.O. Box 342  
Barre, VT 05641  
802-479-0167 • 802-479-2867 Fax  
[info@communitycapitalvt.org](mailto:info@communitycapitalvt.org)  
[www.CommunityCapitalVT.org](http://www.CommunityCapitalVT.org)

### Cooperative Fund of New England (CFNE)

The Cooperative Fund of New England (CFNE) is a nonprofit community development financial institution that facilitates socially responsible investing in cooperatives, community-oriented nonprofits, and worker-owned businesses in New England and adjacent communities in New York. Since its founding in 1975, the fund has made over 600 loans, totaling over \$26 million, which have resulted in the creation or retention of over 7,600 jobs and 4,400 housing units across the region. Products include term loans and lines of credit for \$1,000 up to \$1 million to finance business start-ups and expansions. CFNE received a \$1 million loan from the SBA in 2011 as part of a pilot program for lending to cooperative businesses and has loaned funds to several worker and agricultural distribution cooperatives in VT using these funds.



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**Cooperative Fund of New England**

75 S. Main St., Unit 7, PMB 614  
 Concord, NH 03301  
 603-228-6195  
 cfne@coopfund.coop  
 www.coopfund.coop  
 Contacts:  
 Betsy Black, Loan and Outreach Officer:  
 betsy@coopfund.coop • 603-228-6195  
 Rebecca Dunn, Executive Director  
 rebecca@coopfund.coop • 800-818-7833

**Vermont Community Loan Fund**

The Vermont Community Loan Fund (VCLF) is a statewide nonprofit community development financial institution founded in 1987 to help provide access to capital. VCLF's Business Loan Program provides funding to businesses that expand opportunities for low-income and other disadvantaged Vermonters. VCLF's programs provide financing with flexible terms for businesses that cannot receive bank financing. Currently, VCLF provides technical assistance and financing through the following loan programs: Business Lending Program, Child Care Loan Program and Vermont Agritourism Loan Program, as well as affordable housing and community-based nonprofits, such as family centers, shelters and elder care centers.

**Vermont Community Loan Fund**

15 State St./P.O. Box 827  
 Montpelier, VT 05601  
 802-223-1448 • 802-223-1455 Fax  
 vclf@vclf.org  
 www.vclf.org

**Vermont Economic Development Authority**

The Vermont Economic Development Authority (VEDA), Vermont's statewide economic development lender, administers a variety of financing programs designed to promote economic growth and increase employment in the state. VEDA offers direct loans, industrial revenue bonds, and loan guarantees, as well as other state- and/or federally-supported financing programs. Since 1974, VEDA has provided over \$1.8 billion in financing assistance to thousands of eligible Vermont businesses. For more information contact:

**Vermont Economic Development Authority (VEDA)**

58 E. State St., Ste. 5  
 Montpelier, VT 05602  
 802-828-5627  
 info@veda.org  
 www.veda.org

**Vermont 504 Corporation**

58 E. State St., Ste. 5  
 Montpelier, VT 05602  
 802-828-5627 • 802-828-5474 Fax  
 Contacts:  
 Tom Porter:  
 tporter@veda.org • 802-828-5460  
 Marie Dussault:  
 mdussault@veda.org • 802-828-5461  
 Bill Roberts:  
 broberts@veda.org • 802-828-0155  
 Sandy Croft:  
 scroft@veda.org • 802-828-5472  
 Serving: statewide

**Technology Loan Program**

VEDA's Technology Loan Program provides financing to eligible for-profit and non-profit corporations offering technology-based goods and services to consumers located both inside and outside Vermont.

**VEDA**

58 E. State St.  
 Montpelier, VT 05602  
 802-828-5627 • 802-828-5474 Fax  
 Contact: Peter Bendoris  
 pbendoris@veda.org • 802-828-0754

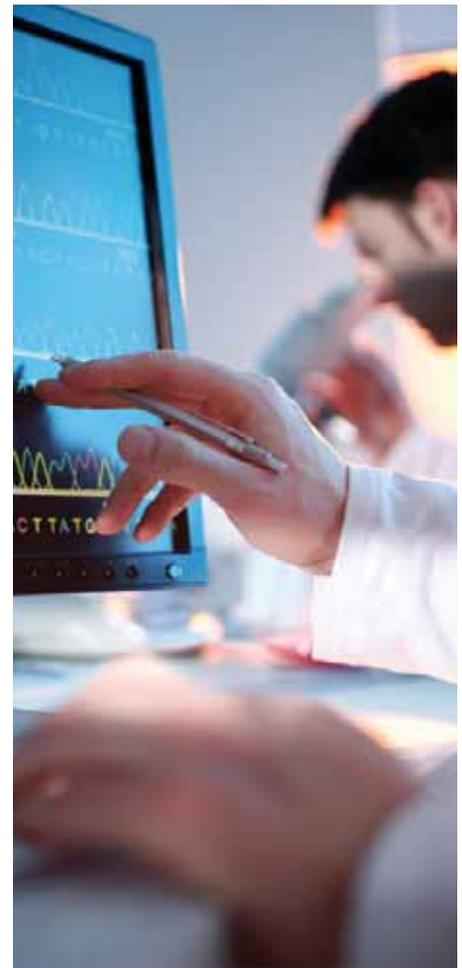
**SMALL BUSINESS INNOVATION RESEARCH PROGRAM**

The Small Business Innovation Research (SBIR) program encourages small businesses to advance their technical potential from funds committed by federal agencies with large extramural research and development budgets. The SBIR program serves to fund the critical startup and development stages for a technology and encourages commercialization of the technology, product or service. In turn, this stimulates the U.S. economy.

**SBIR Requirements**

Small businesses must meet the following eligibility criteria to participate in the SBIR program.

- Be 51 percent owned and controlled by one or more individuals who are U.S. citizens or permanent resident aliens in the U.S. or be a for-profit business concern that is at least 51 percent owned and controlled by another for-profit business concern that is at least 51 percent owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the U.S.
- Be for-profit.
- Principal researcher must be employed by the small business.
- Company size cannot exceed 500 employees.



For more information on the SBIR program visit [www.sba.gov/sbir](http://www.sba.gov/sbir) or contact:

**U.S. Small Business Administration**

Office of Technology  
 409 Third St. S.W., 8th Fl.  
 Washington, DC 20416  
 202-205-6450

**Local contact for SBIR:**

Scott Holson, Technology and Commercialization Advisor  
 145 Billings Farm Rd. (CCV)  
 White River Junction, VT 05001  
 802-281-5236

**Participating Agencies**

Each year, the following eleven federal departments and agencies are required to reserve 2.5 percent of their extramural R&D funds for award to small businesses through the SBIR program: Departments of Agriculture; Commerce; Defense; Education; Energy; Health and Human Services; Homeland Security; Transportation; Environmental Protection Agency; National Aeronautics and Space Administration; and National Science Foundation.

## SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

The Small Business Technology Transfer (STTR) program reserves a specific percentage of federal R&D funding for award to small business and non-profit research institution partners. Central to the program is expansion of public/private sector partnerships to include joint venture opportunities for small business and the nation's premier nonprofit research institutions. Small business has long been where innovation and innovators thrive, but the risk and expense of conducting serious R&D efforts can be beyond the means of many small businesses. Non-profit research laboratories are also instrumental in developing high-tech innovations, but frequently innovation is confined to the theoretical. STTR combines the strengths of both entities by introducing entrepreneurial skills to high-tech research efforts. The technologies and products are transferred from the laboratory to the marketplace. The small business profits from the commercialization, which, in turn, stimulates the U.S. economy.

### STTR Requirements

Small businesses must meet the following eligibility criteria to participate in the STTR program.

- Be 51 percent owned and controlled by one or more individuals who are U.S. citizens or permanent resident aliens in the U.S.
- Be for-profit.
- Principal researcher need not be employed by the small business.
- Company size cannot exceed 500 employees. (No size limit for nonprofit research institution).

**The nonprofit research institution partner must also meet certain eligibility criteria:**

- Be located in the United States and be one of the following:
- Nonprofit college or university.
- Domestic nonprofit research organization.
- Federally funded R&D center.

### Participating Agencies

Each year the following five Federal departments and agencies are required by STTR to reserve 0.3 percent of their extramural R&D funds for award to small business/nonprofit research institution partnerships: Department of Defense; Department of Energy; Department of Health and Human

Services; National Aeronautics and Space Administration; and National Science Foundation.

## SURETY BOND GUARANTEE PROGRAM

The Surety Bond Guarantee program is a public-private partnership between the federal government and surety companies to provide small businesses with the bonding assistance necessary for them to compete for public and private contracting and subcontracting opportunities. The guarantee provides all 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 \$2 million. The

SBA reimburses sureties between 70 and 90 percent of losses sustained if a contractor defaults on the contract.

The SBA has two program options available, the Prior Approval Program (Plan A) and the Preferred Surety Bond Program (Plan B). In the Prior Approval Program, 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 Plan A Program receive an 80 percent guarantee. Sureties must obtain the SBA's prior approval for each bond guarantee issued. Under Plan B, the SBA guarantees 70 percent, but sureties may issue, monitor and service bonds without the SBA's prior approval.

Additional information can be found at [www.sba.gov/surety-bonds](http://www.sba.gov/surety-bonds).

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# Tips for Getting the Most from Yourself and Others

## CHIEF EVERYTHING OFFICER NO MORE: STAFFING YOUR BUSINESS

Being the Chief Everything Officer is okay for some, but if you've got plans for growth or simply need an extra pair of hands, what are the best staffing options for your business?

Taking on full-time employees can be a risk. What if your growth strategy doesn't go as planned and you're left with payroll and other employee expenses to cover? Should you hire independent contractors or outsource key functions?

Here are some staffing options that you might want to consider, as well as some insights on the tax and legal ramifications of each.

### 1. Hire Your Spouse or Family

Friends and family may be able to jump in and support your business – given the right terms. Weigh the skills they can bring and what you can offer in return. Establish clear goals and objectives and offer fair compensation, and make sure you understand the legal, tax and labor laws that may impact your decision.

### 2. Work with Independent Contractors

Hiring independent contractors or freelancers gives you the flexibility to get help when and as you need it from specialists in a particular field. Independent contractors are also self-employed, which means you don't have the burden of handling payroll, employment taxes and the other obligations of managing employees.

The best way to find independent contractors is word of mouth and referrals. Ask around.



**Tip:** The IRS holds a big magnifying glass over companies that work with independent contractors and with businesses that misclassify employees as independent contractors. The reason? Statistics show that 30 percent of firms do this and that's a big loss for the IRS in terms of employment taxes.

So be sure you understand what you can and can't require of an independent contractor and make sure you're not treating them as employees. For example, you can't dictate when and where they conduct work.

### 3. "Temp" Staffing Agencies

If you need to quickly staff a position with qualified and screened candidates, particularly administrative or support functions, temp agencies might be an option. But this can be an expensive way to staff your business for the

long haul. Temp agencies take up to a 30 percent cut of the hourly rate that you pay and also charge temp-to-permanent fees if you decide to hire that person full-time. Another important consideration is that temporary workers are also less likely to be invested in your business success than employees and even contractors.

### 4. Hire Seasonal Employees

If your business is seasonal, part-time seasonal workers are a must. The thing to remember is that unless you work with independent contractors, many of the laws and regulations that apply to full-time employees also apply to seasonal or part-time employees. For a soup-to-nuts understanding of what's involved with hiring seasonal workers, such as what benefits must you provide, read *Hiring Seasonal Workers*.

### 5. Outsource Business Functions

Whether you turn to a virtual assistant for help managing your calendar, voice mail, and perhaps some basic bookkeeping, or you need help with core business functions such as accounting, marketing or HR, outsourcing can be a low-overhead option that lets you concentrate more on business growth and less on day-to-day distractions.

### 6. Bringing on Employees

If you do choose to move forward with part- or full-time employees, you'll need to make sure you are aware and compliant with a few key legal and regulatory steps – the brochure *10 Steps to Hiring your First Employee* from SBA can really help.



## Use of Proceeds in SBA Loan Programs

### Ways Borrowers Can Use The Money

(Information current as of 09/19/2012)

Program	Who Qualifies	Use of Proceeds	Maturity	Maximum Loan Amount	Structure	Benefit 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 SBA portion 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.	Obtains 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 can be \$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 Loans (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 for export purposes, 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.	Same as basic 7(a).	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 American exporters with line of credit that can be separated from domestic operations line of credit.
<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	Benefit to Borrower
<b>Working Capital CAPLines</b>	Same as basic 7(a). Plus, business needing short term revolving line of credit.	For short-term working capital and operating needs. Proceeds must not be used to pay delinquent withholding taxes or similar trust funds (state sales taxes, etc.) or for floor planning.	10 years	Same as basic 7(a).	Lender has latitude with structuring principal payments. Borrower should discuss with lender. Must be revolving. Extra fees apply.	Provides opportunity for businesses that sell on credit to get revolving financing not otherwise available.
<b>Dealer Floor Plan Pilot</b>	Same as basic 7(a). Plus, businesses engaged in retail sales of inventory requiring floor plan financing requirements.	For the acquisition of inventory at wholesale prices for retail re-sale that is classified as titleable inventory (auto, motorcycle, boat, RV, trailers, and manufactured homes).	Minimum one year Maximum five years	\$5 million. Minimum loan size: \$500,000	Revolving Floor Plan financing. Disbursement to acquire floor plan inventory, repayment immediately after item of inventory is sold. Potential high degree of lender monitoring with corresponding extra servicing fees.	Provides opportunity for businesses needing floor plan financing when such financing may not be otherwise available.
<b>Lender Structured Line of Credit</b>	Businesses needing a line of credit.	Working capital	If revolving, seven-year maximum, including term out period.	Depends upon how the lender chooses to apply for an SBA Guaranty. Generally up to \$350,000.	Structure is established by individual lender.	Has availability for a line of credit to help with the short-term cash needs of the business.
<b>Non-7(a) Programs</b>						
<b>504 Loan Program</b>	Businesses that can meet the SBA's size standards, nature of business, use of proceeds, credit elsewhere, and other miscellaneous factors.	For the acquisition of long-term fixed assets, equipment with a useful life of at least 10 years; refinance loan-term fixed asset debt under certain conditions; working capital under certain conditions; to reduce energy consumption; and to upgrade renewable energy sources.	Based on the use of proceeds. Twenty years for real estate. Ten years for machinery and equipment.	Based on the use of proceeds. Twenty years for real estate. Ten years for machinery and equipment.	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.	Fees under 3 percent, long-term fixed rate, low borrower contribution, full amortization with no call or balloon conditions.
<b>Microloan Program</b>	Same as basic 7(a). Plus, start-up nonprofit child-care businesses.	Same as basic 7(a). Plus, funds to establish nonprofit child-care centers.	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.

All SBA programs and services are provided on a nondiscriminatory basis.

# Lender's Program Chart

Ways Lenders Can Request Guarantees

(Information current as of 09/19/2012)

The chart below explains the rules for lenders for various SBA-backed loans to borrowers.

Processing Program	Which Lenders Qualify	Types of Use of Proceeds 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, dealer floor plan.	Base rate is <i>Wall Street Journal</i> prime, LIBOR* one month rate plus 3 percent, or SBA Peg rate. Plus, an allowable spread from 2.25 to 2.75 percent based on term. Lender can add 2 percent if loan is \$25,000 or less, and 1 percent if \$25,001 to \$50,000. Can be fixed or variable.	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 work.	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 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 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 Checklist (SBA Form 7).	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 1920SX (Part C) "Eligibility Information."	Delegated to lender.	Maximum loan \$350,000. Guaranty percentage 50 percent.
<b>Patriot Express Processing</b>	Same as Standard 7(a). Plus, either an executed PLP or SBA Express Agreement.	Basic 7(a) except restrictions on some types of refinancing.	Same as Standard 7(a) except Prime may be Lender Internal Prime.	Lender completes SBA Form 1920SX (Part C) "Eligibility Information." Must be member of the military community.	Delegated to lender.	Maximum loan \$500,000. Guaranty percentage same as Standard 7(a).
<b>Export Express Processing</b>	Same as Standard 7(a). Plus, an executed Export Express Agreement.	Similar to export working capital loans 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 1920SX (Part C) "Eligibility Information."	Delegated to lender.	Maximum loan \$500,000. Guaranty percentage same as Standard 7(a).
<b>Small/Rural Lender Advantage</b>	Same as Standard 7(a). Plus, separate approval based on having processed 20 or fewer SBA loans annually over the last three fiscal years.	Basic 7(a) except restrictions on some types of refinancing.	Same as Standard 7(a).	Lender completes SBA Form 2301 (Part C) "Eligibility Questionnaire."	Similar to Standard 7(a) except credit factors to consider are more defined.	Maximum loan \$350,000. Guaranty percentage same as Standard 7(a).
<b>Community Advantage</b>	Same as Standard 7(a). Plus, an executed Community Advantage Agreement.	Basic 7(a) except restrictions on some types of refinancing.	Prime plus 6 percent.	Non-Delegated Lenders complete SBA Form 2301 (Part C). Delegated Lenders complete SBA Form 2301 (Part D).	Similar to Standard 7(a) except credit factors to consider are more defined.	Maximum loan \$250,000. Guaranty percentage same as Standard 7(a).
<b>Small Loan Advantage</b>	Same as Standard 7(a) and having PLP and/or Express Agreement provides added benefit to lender.	Basic 7(a) except restrictions on some types of refinancing.	Same as Standard 7(a).	Lender completes SBA Form 1920SX (Part C) "Eligibility Information."	Similar to Standard 7(a) except credit factors to consider are more defined.	Maximum loan \$350,000. Guaranty percentage same as Standard 7(a).

CAPITAL

All SBA programs and services are provided on a nondiscriminatory basis. \* London InterBank Offered Rate

# The SBA: Streamlining and Simplifying

Over the past three years the SBA has worked hard to provide small businesses with the tools they need to help lead our nation out of recession and into recovery. To better serve small businesses, we streamlined and simplified many existing programs for small business owners and entrepreneurs. These efforts have allowed us to provide small businesses with greater access and opportunity than ever before.

Whether you are an entrepreneur just starting out with a great idea, or a long-time small business owner who needs help growing your company, the SBA has the resources to help. Now is a great time to contact your local district office, or check out [www.SBA.gov](http://www.SBA.gov) and find out how your business can benefit.

The SBA is becoming more nimble than ever before. As you'll see throughout this resource guide, the improvements that the agency has made in streamlining and simplifying span government contracting, access to capital, training and counseling and disaster initiatives.

## Simplifying Access to Capital Procedures

The SBA knows that it is important for entrepreneurs to be able to find the capital they need to start and grow their businesses. So this year, we focused on making the application and approval processes for many of our financing guarantee programs simpler and more streamlined.

For example, we reengineered CAPLines, a program designed to help small businesses meet their short term and cyclical working capital needs. CAPLines now allows small businesses to borrow against accounts receivable, inventory, contracts and purchase orders in order to secure a revolving line of credit. The revamped program also enables small business subcontractors to obtain an agency-guaranteed line of credit to finance work on a contract with a federal prime contractor.

Last year, the Small Loan Advantage (SLA) program was revamped to create a simpler application process for a 7(a) loan up to \$250,000. This year, we launched SLA 2.0, which further simplifies the process by credit scoring each loan in advance of approval. SLA 2.0 will also expand the pool of qualified lenders to include entities outside of the agency's Preferred Lender Program.

Over the past year, the Small Business Investment Company (SBIC) licensing process has become increasingly efficient, cutting the average licensing time in half from more than 14 months to five and a half months. SBICs are privately owned and managed investment funds that use their own capital, plus funds backed by an SBA guarantee, to invest in small businesses. The streamlined licensing process has made it possible to more easily get capital into the hands of small businesses, allowing SBICs to invest in companies that can grow and create jobs.

## Streamlining the Federal Contracting Process

The SBA is also working hard to make the federal contracting process more efficient for small businesses. Last year, Quick Pay cut the amount of time it takes federal agencies to pay small businesses for the products and services they deliver to the federal government from 30 days to 15 days. When small businesses get their money in 15 days instead of 30, it results in a permanent infusion of cash flow into their businesses. They can put that money toward expanding their business, marketing their products and creating jobs.

## Streamlining Small Business Assistance through Partnerships

This year we have reached out to create new partnerships that will streamline small business assistance efforts and reach more audiences. For example, the SBA and the AARP have

agreed to work together not only to help a larger number of encore entrepreneurs, i.e., those over the age of 50, to start their own businesses, but also to encourage more experienced small business owners to serve as mentors for those who are just starting out.

To help transitioning service members who are interested in starting their own business, the SBA announced in July 2012 the launch of Boots to Business, a partnership with Syracuse University, which teaches returning service men and women about the opportunities and realities of entrepreneurship. This partnership builds on the leadership and management skills veterans have learned during their active duty and Reserve service to prepare them for possible business ownership.

## Simplifying Disaster Loan Processes

The agency has also made significant progress in streamlining and simplifying the disaster loan application and approval process. Over the past few years, the SBA has reduced the average processing time for disaster loans from over 70 days to just 10 days.

The process of applying for a disaster loan has also been simplified for small businesses, homeowners and renters. SBA Administrator Karen G. Mills said it was just the right thing

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*"Whether it's a hurricane, tornado, earthquake or devastating flood, the SBA can step in to help communities get back on their feet by providing access to both home and business recovery disaster loans."*

*Administrator Karen Mills,  
U.S. Small Business Administration*

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to do. "Our goal is to provide support for those rebuilding after a disaster, and we wanted to make the process more user-friendly," Mills said. "Whether it's a hurricane, tornado, earthquake or devastating flood, the SBA can step in to help communities get back on their feet by providing access to both home and business recovery disaster loans. To make the loan application process more streamlined and simplified, we have taken a different approach with the online applications. This improvement will make those first steps toward recovery more convenient."

For those affected by these tragedies, the SBA now offers the option of filing home and business disaster loan applications through the Electronic Loan Application. The Electronic Loan Application simplifies the application process and expedites the delivery of assistance to small businesses, homeowners and renters affected by disasters. For more information, check out [www.sba.gov/disaster](http://www.sba.gov/disaster).

In addition, the increasingly agile SBA is streamlining and simplifying its processes and procedures to provide more access and opportunity for capital, counseling and contracting for small businesses. In the following pages, you can read more about the programs and initiatives the SBA has created and refined. You can also find contact information for our 68 district offices on the inside back cover, where trained professionals can walk you through getting a loan, competing for contracts, or finding a business counselor.

If you are looking for more information, check out our website, [www.sba.gov](http://www.sba.gov). While you are there, sign up for the agency's SBA Online Community to explore resources from our resource partners and other small business owners. To sign up for our e-mail newsletter, visit [www.sba.gov/updates](http://www.sba.gov/updates).



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# CONTRACTING

## Applying for Government Contracts



CONTRACTING

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

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

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

### HOW GOVERNMENT CONTRACTING WORKS

#### Sealed bidding vs. Negotiation

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

#### Types of Contracts

Firm fixed-price contracts place the full responsibility for the costs and risk of loss on the contractor. Firm fixed-price contracts do not permit any adjustment on the basis of the contractor's costs during the performance of the contract. It provides maximum incentive for the contractor

to control costs and perform effectively and imposes a minimum administrative burden upon the contracting parties. This type of contract is used in all sealed bid and some negotiated procurements.

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

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

#### Small Business Set-Asides

A "set-aside" for small businesses reserves an acquisition exclusively for small business participation. There are two ways in which set-asides can be determined. First, if an acquisition of goods or services has an anticipated dollar value of at least \$3,000 but not exceeding \$150,000, it is automatically



reserved for small businesses. The acquisition will be set aside only if the contracting officer determines there are two or more responsible small businesses that are competitive in terms of market prices, quality and delivery. Second, if an acquisition of goods or services is more than \$150,000, and if it is likely offers will be obtained from at least two responsible small businesses, and if awards will be made at fair market prices, the acquisition is reserved exclusively for small business. Reasonable expectations of small business competition may be evaluated using past acquisition history of an item or similar items.

There are several exceptions and unique rules for specific kinds of small businesses and industries. For Research and Development (R&D) small business set-asides, there must be reasonable expectation of obtaining from small businesses the best scientific and technological sources consistent with the demands of the proposed acquisition. For small business set-asides other than for construction services, any business proposing to furnish a product that it did not manufacture must furnish the product of a small business manufacturer unless the SBA has granted either a waiver or exception to

this requirement. In industries where the SBA finds that there are no small business manufacturers, it may issue a waiver to this non-manufacturer rule. Waivers permit small businesses to provide any domestic firm's product.

### Subcontracting

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

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

To find subcontracting opportunities, a list of federal prime solicitations is listed under the U.S. Small Business Administration Subcontracting Network (SUBNET) <http://web.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.

### Vermont Procurement Technical Assistance Center (VT PTAC)

The Vermont Procurement Technical Assistance Center (VT PTAC) is part of a network of Procurement Technical Assistance Centers that share one common goal: to provide businesses with an understanding of the requirements of government contracting/subcontracting and the know-how to obtain and successfully perform federal, state, and local contracts.

For Vermont companies with an interest in selling to the government, VT PTAC is the place to start. VT PTAC provides the in-depth understanding of complex documentation and uniquely-defined product specifications that most businesses lack. Combined with a proactive involvement in seeking appropriate opportunities, a relationship with VT PTAC is one of the most beneficial associations any business can forge. Plus, VT PTAC is funded by the federal government and by the State of Vermont, so all services are completely free of charge.

The services offered by VT PTAC range from personalized, one-on-one counseling to a menu of automated services on-line. The one-on-one counseling includes access to national and international bid search tools, free of charge. Automated services can easily be accessed on line at the program's web site, and they include a listing of your business in the Vermont Business-to-Business Directory (over 15,000 business listed in this on-line, searchable database), as well as access to the Vermont State Bid Board, including state, local, regional, quasi-governmental, and regulated industry bid postings.

For more information you can sign up for our services at <http://accd.vermont.gov/business/start/vtptac> or contact the counselor in your area. If you have a general question please e-mail: [vtptac@thinkvermont.com](mailto:vtptac@thinkvermont.com).

## Central Office: Montpelier

Robin Miller, Director  
802-828-5240  
Robin.Miller@state.vt.us

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Joanne Spaulding, Procurement Specialist  
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Counties: Chittenden/Grand Isle/Franklin  
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Brenda Plastridge, VTPTAC Advisor  
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bplastridge@vtsbdc.org

\*In partnership with the VtSBDC

## SBA CONTRACTING PROGRAMS HUBZONE

The Historically Underutilized Business Zones (HUBZone) program helps small businesses located in distressed urban and rural communities, gain access to federal set-aside contracts and sole source contracts, as well as a price evaluation preference in full and open contract competitions. There is a statutory goal

that HUBZone small business concerns be awarded not less than 3 percent of the total value of all prime contract awards. The HUBZone program also establishes preference for award of federal contracts to small businesses in these areas. To qualify for the program, a business (except those that are tribally-owned) must meet the following criteria:

- It must be a small business by SBA size standards
- It must be owned and controlled at least 51 percent by U.S. citizens, or a Community Development Corporation (CDC), an agricultural cooperative, or an Indian tribe
- Its principal office must be located within a "Historically Underutilized Business Zone," which includes lands considered "Indian Country" and military facilities closed by the Base Realignment and Closure Act
- At least 35 percent of its employees must reside in a HUBZone.

Existing businesses that choose to move to qualified areas are eligible to apply for certification. To fulfill the requirement that 35 percent of a HUBZone firm's employees reside in a HUBZone, employees must live in a primary residence at a place for at least 180 days, or as a currently registered voter, and with intent to live there indefinitely.

### The SBA is responsible for:

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

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

## 8(a) BUSINESS DEVELOPMENT PROGRAM

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

To be eligible for the 8(a) Business Development program, a business must meet the following criteria:

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

## SUCCESS STORY

## Draker Laboratories

continued from page 7

energy market. Many of Draker's recent hires, including top engineers and software developers both locally and from around the country, were attracted by the company's entrepreneurial culture, rapid growth, market position and prospects for continued success.

According to Curtis, Draker Labs promotes a company culture that encourages and values employee contributions to local communities. Each quarter, Draker sponsors a specific community project, event or charity and encourages employees to contribute time, resources and/or money to support the cause. Past projects/events include: Penguin Plunge (a February swim in Lake Champlain) to raise money for the Special Olympics; food drives

to benefit the Chittenden County Emergency Food Shelf, Coats for Kids, Toys for Tots, and the Art Hop, a local event that allows artists to showcase their art. In addition, Curtis also gives employees two days of paid time off per year for volunteer services supporting a charity of their choice.

Curtis himself is an active and respected member of his local and business community and regularly volunteers his time to serve on local boards, mentor new entrepreneurs, and coach ski programs for kids. He is also a regular financial contributor to numerous state and national environmental organizations and children's advocacy groups.

Charles "Chach" Curtis, CEO, Draker Laboratories, Burlington, has been named the U.S. Small Business Administration's (SBA) 2012 Vermont Small Business Person of the Year. Nominated by Cairn Cross, Managing Director, Fresh Tracks Capital, Curtis was selected for outstanding leadership related to his company's staying power, employee growth, increase in sales, innovative ingenuity and contributions to the community. Draker Laboratories, Inc., Burlington VT, provides monitoring, diagnostics and asset management services to commercial and utility-scale renewable energy systems.

Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual capabilities. The following individuals are presumed to be socially disadvantaged: Black Americans, Native Americans, Alaska Natives or Native Hawaiians, Hispanic Americans, Asian Pacific Americans, and Subcontinent Asian Americans. An individual who is not a member of one of these groups must establish individual social disadvantage by a preponderance of evidence.

Economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free-enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged.

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

So that approved firms can obtain training, counseling, and business development assistance, SBA designates a staff person at a local SBA district office, geographically near the business to coordinate the firm's business development assistance.

**SBA is responsible for:**

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

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

**SMALL DISADVANTAGED BUSINESS**

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

There is a federal government-wide goal of awarding at least 5 percent of prime contracting dollars to SDBs each year. Large prime contractors must

also establish a subcontracting goal for SDBs in their subcontracting plans.

Firms self-certify as SDB without submitting any application to 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 update their System for Award Management (SAM), previously CCR, profiles and update their ORCA profiles, making sure that both profiles reflect their SDB status.

**Disadvantaged Business Enterprise (DBE)**

The Disadvantaged Business Enterprise Program (DBE) is federally funded by the U.S. Department of Transportation (U.S.DOT), administered in Vermont by the Agency of Transportation (VTrans). The purpose of the program is to encourage and support participation of companies owned and controlled by women and minorities in transportation contracts. To participate in federally aided contracts under the requirements

of the DBE program, businesses must first be certified by VTrans. A DBE is a business which is at least 51 percent owned and controlled by one or more socially and economically disadvantaged individuals. For more information on the program, please visit our website at: [www.aot.state.vt.us/civilrights/dbe.htm](http://www.aot.state.vt.us/civilrights/dbe.htm) or contact:

**Vermont Agency of Transportation**

Melanie Lopez, DBE Program Manager  
Office of Civil Rights and Labor Compliance  
One National Life Dr.  
Montpelier, VT 05633-5001  
802-828-5858 • 802-828-1047 Fax  
[melanie.lopez@state.vt.us](mailto:melanie.lopez@state.vt.us)  
[www.aot.state.vt.us/civilrights/default.htm](http://www.aot.state.vt.us/civilrights/default.htm)

**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

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establish a subcontracting goal for Veteran-Owned Small Businesses in their subcontracting plans. These subcontracting goals are reviewed at time of proposal by both the contracting officer and the SBA prior to the award of a contract.

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

To determine your eligibility, contact your local veterans' business development officer, visit the various program websites, or contact SBA's Office of Veterans Business Development at [www.sba.gov/about-offices-content/1/2985](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.

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. The firm must be "small" in its primary industry in accordance with SBA's size standards for that industry. To be deemed "economically disadvantaged" its owners must demonstrate economic disadvantage in

accordance with the requirements set forth in the final rule. For additional information, visit [www.sba.gov/content/contracting-opportunities-women-owned-small-businesses](http://www.sba.gov/content/contracting-opportunities-women-owned-small-businesses).

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.

# 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 Industrial Classification code (NAICS). Every federal agency uses these codes when considering your business. To determine your NAICS code, go to [www.census.gov/eos/www/naics/](http://www.census.gov/eos/www/naics/). Some SBA programs require their own unique size standards. To find out more about these requirements and other size standard information, go to [www.sba.gov/size](http://www.sba.gov/size).

### 3. Do you fall under a specific certification?

Under the umbrella of "small business," SBA has outlined several specific certifications that businesses may fall under. These certifications are divided into two categories:

#### SBA-Certified and Self-Certified.

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

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

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

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

# GETTING STARTED IN CONTRACTING

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

## 1. Identify your DUNS (Data Universal Numbering System) Number

To register your business, obtain a DUNS number used to identify and track millions of businesses. You can obtain your free DUNS number when registering with the System for Award Management. Log on to [www.sam.gov](http://www.sam.gov) for more information or by contacting Dun & Bradstreet at [www.dnb.com](http://www.dnb.com).

## 2. Identify your EIN (Employer Identification Number)

An EIN, otherwise known as a federal tax identification number, is generally required of all businesses. For more information, go to [www.irs.gov](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. Identify your SIC (Standard Industrial Classification) codes

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

## 5. Register with the System for Award Management (SAM), formerly the (Central Contractor Registration)

The SAM is an online federal government maintained database of companies wanting to do business with the federal government. Agencies search the database for prospective vendors. Register at [SAM.gov](http://SAM.gov).

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

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

## 6. Register with the GSA Schedule

The GSA (General Services Administration) Multiple Award Schedule (aka Federal Supply Schedule) is used by GSA to establish long-term, government wide contracts with commercial firms.

Once these contracts are established, government agencies can order the supplies and services they need directly from the firms through the use of an online shopping tool. Becoming a GSA schedule contractor increases your opportunity for contracts across all levels of government. Businesses interested in becoming GSA schedule contractors should review the information available at [www.gsa.gov/schedules](http://www.gsa.gov/schedules).

## 7. Make Sure Your Business is Financially Sound

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

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

FedBizOpps, is an online service operated by the federal government that announces available business opportunities. FedBizOpps helps identify the needs of federal agencies and available contracting opportunities. To begin searching for contracting opportunities, go to [www.fbo.gov](http://www.fbo.gov).

## 9. Marketing Your Business

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

- Determine which federal agencies buy your product or service, and get to know them;
  - Identify the contracting procedures of those agencies;
  - Focus on opportunities in your niche and prioritize them.
- Although not required, you may want to obtain a PSC (Product Services Code) and/or a FSC (Federal Supply Classification). These codes provide additional information about the services and products your business offers.

## ADDITIONAL PROCUREMENT RESOURCES

The following federal procurement resources may also be of assistance:

- **The Certificates of Competency (CoC) program** allows a small business, which is the apparent successful offeror, to appeal a contracting officer's non-responsibility determination that it is unable to fulfill the requirements of a specific government contract. The SBA will conduct a detailed review of the firm's technical and financial capabilities to perform on the contract. If the business demonstrates the capability to perform, the SBA issues a Certificate of Competency to the contracting officer, requiring award of that contract to the small business.
- **Procurement Center Representatives (PCR) and Commercial Marketing Representatives (CMR):** PCRs work to increase the small business share of federal procurement awards. CMRs offer many services to small businesses, including counseling on how to obtain subcontracts. To find a PCR or CMR near you, go to [www.sba.gov/content/procurement-center-representatives](http://www.sba.gov/content/procurement-center-representatives).
- **PTACs (Procurement Technical Assistance Centers):** PTACs provide assistance to businesses that want to sell products and services to federal, state, and/or local government. To find a PTAC in your state, go to [www.dla.mil/SmallBusiness/Pages/ptap.aspx](http://www.dla.mil/SmallBusiness/Pages/ptap.aspx).
- **Department of Defense** (The DoD is the largest purchaser of goods from small businesses): [www.acq.osd.mil/osbp/](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)
- **GSA Center for Acquisition Excellence:** [www.gsa.gov/portal/content/103487](http://www.gsa.gov/portal/content/103487)

# SBA DISASTER ASSISTANCE

## Getting Back on Your Feet After a Disaster

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

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

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

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

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

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

combined limit for economic injury and physical damage assistance for businesses is \$2 million.

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

For all disaster loans, the SBA can only approve loans to applicants having a credit history acceptable to the SBA and who also show the ability to repay the loans. The loan terms are established in accordance with the borrower's repayment ability. The law gives the 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 the SBA's determination of whether the applicant has credit available elsewhere (the ability to borrow or use their own resources to recover after the disaster).

More information on all of the SBA's disaster assistance programs, including information for military Reservists, is available at [www.sba.gov/disaster](http://www.sba.gov/disaster).

### Disaster Preparedness

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

With proper planning, surviving begins long before the disaster strikes—or before active-duty orders are received. Your planning should include insurance coverage, emergency power, protection of company records, fire safety, medical emergencies, taking care of your employees and continuity planning –

how your business will continue during and after the emergency or disaster.

Starting is as easy as clicking on the disaster preparedness page of the SBA's website at [www.sba.gov/prepare](http://www.sba.gov/prepare).

The page provides links to resources to help you put together your own emergency plan, preparedness tips, and fact sheets about SBA recovery assistance for homeowners, renters, businesses of all sizes and private, nonprofit organizations. The SBA has partnered with the American Red Cross to increase awareness in the business community about the Red Cross Ready Rating™ Program. Ready Rating™ is a free, self-paced, web-based membership program that helps a business measure its ability to deal with emergencies, and gives customized feedback on how to improve those efforts. Visit [www.readyrating.org](http://www.readyrating.org).

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

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

Additional information on developing an emergency plan is available at the federal government's preparedness website [www.ready.gov](http://www.ready.gov).

The Institute for Business and Home Safety ([www.disastersafety.org](http://www.disastersafety.org)) also offers useful tips on protecting your home or business.

# ADVOCACY AND OMBUDSMAN

## Watching Out for Small Business Interests



### OFFICE OF ADVOCACY

The SBA's Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, the president and federal appellate courts as friends of the court. 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

If excessive fines, penalties or unfair regulatory enforcement by federal agencies are problems for your small business, you have a voice in Washington, D.C., through the SBA's Office of the National Ombudsman.

The ombudsman receives comments regarding federal regulatory

enforcement from small business owners, nonprofit organizations and small government entities. Comments are forwarded to federal agencies for review, and in some cases fines may be lowered or eliminated and decisions changed in favor of the small business owners. Each year the National Ombudsman files a report with the U.S. Congress on the responsiveness of federal agencies regarding their actions of regulatory and compliance enforcement on small businesses.

To request help, send the National Ombudsman a complete Federal Agency Comment Form. You may do this online at [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman); by fax at 202-481-5719; or by mail at 409 Third Street S.W., Mail Code 2120, Washington, DC 20416.

The Ombudsman also coordinates 10 Regional Regulatory Fairness Boards that meet regularly to receive comments about federal regulations affecting small businesses.

Learn more about the National Ombudsman at [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman) or call 888-REG-FAIR.

# 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

Registering your business name, after doing a search to make sure that it is not already in use, protects you from others who might want to use the same name. For more information, contact the county clerk's office in the county where your business is based. If you are a corporation, you'll need to check with the state. For more information, contact:

#### Vermont Secretary of State

Corporation Division  
128 State St.  
Montpelier, VT 05633-1104  
802-828-2386  
[www.sec.state.vt.us](http://www.sec.state.vt.us)

### 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, other 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.

#### VT Insurance Agents Association

47 1/2 Court St./P.O. Box 1387  
Montpelier, VT 05601  
802-229-5884 • 802-223-0868 Fax  
[www.viaa.org](http://www.viaa.org)

**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 must also understand the terms of the insurance, including any limitations or waivers of coverage.

**Business Interruption** – While property insurance may pay enough to replace damaged or destroyed equipment or buildings, how will you pay costs such as taxes, utilities and other continuing expenses during the period between when the damage occurs and when the property is replaced? Business Interruption (or “business income”) insurance can provide sufficient funds to pay your fixed expenses during a period of time when your business is not operational.

**“Key Man”** – If you (and/or any other individual) are so critical to the operation of your business that it cannot continue in the event of your illness or death, you should consider “key man” insurance. This type of policy is frequently required by banks or government loan programs. It also can be used to provide continuity 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 for such usage.

**Officer and Director** – Under most state laws, officers and directors of a corporation may become personally liable for their actions on behalf of the company. This type of policy covers this liability.

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

## Accounting Resources

You may want to consult an accountant regarding bookkeeping systems, income tax planning and payments, payroll reports and related items.

### Vermont Society of Certified Public Accountants

100 State St., Ste. 500  
Montpelier, VT 05602  
802-229-4939 • 802-223-0360 Fax  
info@vtcpa.org  
www.vtcpa.org

## Banking Resources

Consult a banker about establishing a relationship for checking accounts, your future borrowing needs, credit card acceptance and other concerns.

### Vermont Bankers Association, Inc.

Christopher D’Elia, President  
89 Main St./P.O. Box 587  
Montpelier, VT 05601-0587  
802-229-0341 • 802-223-5078 Fax  
vtbanker@sover.net  
www.vtbanker.com

## TAXES

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

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

Small Business Forms and Publications [www.irs.gov/businesses/small/article.html](http://www.irs.gov/businesses/small/article.html).

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

## FEDERAL PAYROLL TAX (EIN NUMBERS)

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

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

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

### Internal Revenue Service

800-829-4933 Information 7 a.m. - 10 p.m.  
800-829-3676 Forms 24 hrs.  
[www.irs.gov/businesses/small](http://www.irs.gov/businesses/small)

### Brattleboro IRS

1222 Putney Rd.  
Brattleboro, VT 05301  
802-257-4825

### Burlington IRS

199 Main St.  
Delete: Courthouse Plaza, 3rd Fl.  
Burlington, VT 05401  
802-859-9308

### Montpelier IRS

87 State St., Rm. 204  
Montpelier, VT 05602  
802-223-7871

### Rutland IRS

1085 U.S. Rte. 4 E.  
Rutland, VT 05701  
802-773-6982

## 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.

## Vermont Department of Taxes

Before you open your business in Vermont, you should understand your tax responsibilities. The Vermont Department of Taxes is here to help you learn how to register your business with the Department of Taxes and how to file and pay your business taxes. The first step is to register for a Vermont business tax account number and appropriate licenses using Form S-1. The license authorizes your business to collect taxes on behalf of the State of Vermont.

The following taxes may apply to your business:

- Employee Withholding Tax
- Sales & Use Tax
- Meals & Rooms Tax
- Local Option Tax

Filing and paying your business taxes online is easy and convenient by visiting the Department of Taxes website at [www.tax.vermont.gov](http://www.tax.vermont.gov). You will also find the forms you need and other useful resources and information.

- VTBizFile – Electronic Filing for Business Trust Tax Returns (SU-451, MR-441, WH-431)
- VTW2eFile—Electronic filing for original filings of W-2 Wage and Tax Statements and Form 1099 (WH-434)

## General Information for Businesses

The following forms and calendar of due dates are available on the website:

- Form S-1 – Vermont Business Tax Account Application & Instructions
- Form B-2a – Notice of Change – Business Address or Cancellation
- Form S-3 – Resale & Exemption Organization Certificate
- Calendar of Due Dates – 2013 Business Taxes

## Business Tax Rate Charts

Some towns in Vermont have an additional Local Option Tax for sales, meals and alcoholic beverages, and rooms. Look for the listing of towns on the website. The various taxes are as follows:

- Sales Tax – 6%
- Sales Tax with Local Option Tax – 7%
- Meals & Rooms Tax – 9%
- Meals & Rooms Tax with Local Option Tax – 10%
- Alcohol & Beverage Tax – 10%
- Alcohol & Beverage Tax with Local Option Tax – 11%

For information contact the Department of Taxes:

### Vermont Department of Taxes

133 State St.  
Montpelier, VT 05633

### Vermont Business Tax Section

802-828-2551 • 802-828-5787 Fax  
bustax@state.vt.us

### Vermont Corporate Business Tax Section

802-828-5723 • 802-828-5787 Fax  
tax-corporincome@state.vt.us

### Tax Form Requests

802-828-2515

## FEDERAL INCOME TAX

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

**Sole Proprietorship:** You must file IRS Federal Form Schedule C along with your personal Federal Income Tax return (Form 1040) and any other applicable forms pertaining to gains or losses in your business activity.

**Partnership:** You must file a Federal Partnership return (Form 1065). This is merely informational to show gross and net earnings of profit and loss. Also, each partner must report his share of partnership earnings on his individual Form 1040 based on the information from the K-1 filed with the Form 1065.

**Corporation:** You must file a Federal Corporation Income Tax return (Form 1120). You will also be required to report your earnings from the corporation including salary and other income such as dividends on your personal federal income tax return (Form 1040).

## FEDERAL PAYROLL TAX

**Federal Withholding Tax:** Any business employing a person must register with the IRS and acquire an EIN and pay federal withholding tax at least quarterly. File Form SS-4 with the

IRS to obtain your number and required tax forms. Call 800-829-3676 or 800-829-1040 if you have questions.

## IRS WEB PRODUCTS FOR SMALL BUSINESSES

For the most timely and up-to-date tax information, go to [www.irs.gov/businesses/small/index.html](http://www.irs.gov/businesses/small/index.html).

## VIRTUAL SMALL BUSINESS WORKSHOP

[www.tax.gov/virtualworkshop/](http://www.tax.gov/virtualworkshop/)

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

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

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

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

The Tax Calendar for Small Businesses and Self-Employed

contains useful information on general business taxes, IRS and SSA customer assistance, electronic filing and paying options, retirement plans, business publications and forms, common tax filing dates, and federal legal holidays.

## SOCIAL SECURITY CARDS

All employees must have a Social Security card. It must be signed by its owner, and you should always ask to see and personally record the Social Security number. Failure to do so may cause your employee to lose benefits and considerable trouble for yourself in back tracking to uncover the error.

Each payday, your employees must receive a statement from you telling them what deductions were made and how many dollars were taken out for each legal purpose. This can be presented in a variety of ways, including on the check as a detachable portion or in the form of an envelope with the items printed and spaces for dollar deductions to be filled in.

## EMPLOYEE CONSIDERATIONS Taxes

If you have any employees, including officers of a corporation but not the sole proprietor or partners, you must make periodic payments towards, and/or file quarterly reports about payroll taxes and other mandatory deductions. You may contact these government agencies for information, assistance and forms.

### Social Security Administration

800-772-1213  
[www.ssa.gov](http://www.ssa.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.

## Unemployment Compensation, Job Training, State of Vermont Employment Services

You are required to pay state unemployment tax if you employ at least one worker for some part of a day in each of 20 different weeks in a calendar year or you pay wages of at least \$1,500 during a calendar quarter. Your tax rate is based on your unemployment experience. For more information, contact:

### Department of Labor

5 Green Mountain Dr./P.O. Box 488  
Montpelier, VT 05601-0488

Vermont employers may obtain mandatory workplace posters for free from the Department of Labor website:

[www.labor.vermont.gov](http://www.labor.vermont.gov)

Switchboard	802-828-4000
Employer Assistance	877-214-3331
Labor Market Information	802-828-4202

## 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).

## 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 or contact:

### U.S. Department of Homeland Security

Citizenship & Immigration Services  
64 Gricebrook Rd.  
St. Albans, VT 05478

### National Customer Service Center

800-375-5283  
800-767-1833 TDD  
[www.uscis.gov](http://www.uscis.gov)

### Employer-Related Immigration Matters

800-357-2099  
800-278-5732 TTD

## 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 our 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)

## 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 outlines specific health and safety standards adopted by the U.S. Department of Labor. For more information, contact:

### Vermont Department of Labor Project WorkSAFE

P.O. Box 488  
Montpelier, VT 05601-0488  
802-828-6991 • 802-828-2195 Fax  
[www.labor.vermont.gov](http://www.labor.vermont.gov)

### Compliance Assistance at VT Dept. of Labor

P.O. Box 488  
Montpelier, VT 05601-0488  
802-334-4367  
[www.labor.vermont.gov](http://www.labor.vermont.gov)

### Vermont Occupational Safety & Health Administration

Accident Prevention Division  
Workers Compensation Board  
802-828-2286 • 802-828-2195 Fax  
[www.labor.vermont.gov](http://www.labor.vermont.gov)

### Federal Occupational Safety & Health Administration

Department of Labor  
200 Constitution Ave. N.W.  
Washington, DC 20210  
800-321-6742  
[www.osha.gov](http://www.osha.gov)

## International Trade Issues

You may want to consider exporting to enhance your business. The following organizations may be of assistance:

## The Vermont Global Trade Partnership

(VGTP) is Vermont's center for international business assistance. Formed in 2004, the VGTP provides international market research, trade technical assistance and international business skills training. The program also organizes professional trade missions and coordinated participation in trade shows for Vermont businesses.

Brent Raymond  
Director of International Trade & Foreign Investment

Vermont Global Trade Partnership  
Agency of Commerce & Community Development

One National Life Dr., 6th Fl.  
Montpelier, VT 05620-0501  
802-828-1681 • 802-828-3258 Fax  
[Brent.Raymond@state.vt.us](mailto:Brent.Raymond@state.vt.us)  
[www.thinkvermont.com](http://www.thinkvermont.com)

## U.S. Department of Commerce

Susan Murray, Vermont Director  
U.S. Export Assistance Center  
U.S. Department of Commerce  
U.S. Commercial Service  
6th Floor National Life Bldg.  
Montpelier, VT 05620-0501  
802-828-4508  
[susan.murray@trade.gov](mailto:susan.murray@trade.gov)  
[www.export.gov](http://www.export.gov)

## U.S. Export Assistance Center

John P. Joyce, SBA Export Finance Manager  
New England Region  
U.S. Export Assistance Center  
John F. Kennedy Federal Bldg.  
55 New Sudbury St., Ste. 1826A  
Boston, MA 02203  
617-565-4305  
[www.sba.gov/international](http://www.sba.gov/international)  
[john.joyce@sba.gov](mailto:john.joyce@sba.gov)

## Susan C. B. Mazza

SBA District International Trade Officer  
87 State St., Rm. 205/P.O. Box 605  
Montpelier, VT 05601  
802-828-4422 ext. 209  
802-828-4485 Fax  
[susan.mazza@sba.gov](mailto:susan.mazza@sba.gov)

## Vermont Economic Development Authority (VEDA)

58 E. State St., Ste. 5  
Montpelier, VT 05602  
Attn: Marie F. Dussault  
802-828-5461 • 802-828-5474 Fax  
[mdussault@veda.org](mailto:mdussault@veda.org)  
[www.veda.org](http://www.veda.org)

## Customs and Border Protection

50 S. Main St., Ste. 100R  
St. Albans, VT 05478  
802-524-6527

## Export Legal Assistance Network

Mark Oettinger, Vermont Representative  
120 State St., 4th Fl.  
Montpelier, VT 05620-2501  
802-828-0416 • 802-828-3140 Fax  
[mark.oettinger@state.vt.us](mailto:mark.oettinger@state.vt.us)

## Environmental Regulations

Use of hazardous substances in businesses is highly regulated and there are heavy fines for non-compliance. If you need information about air, water, land uses, solid waste and hazardous materials call or write:

### Vermont Department of Environmental Conservation

103 S. Main St.  
Waterbury, VT 05671  
802-241-3808

### Divisions and Programs

Air Pollution Control	802-241-3840
<a href="http://www.anr.state.vt.us/air/index.htm">www.anr.state.vt.us/air/index.htm</a>	
Environmental Assistance	802-241-3589
<a href="http://www.anr.state.vt.us/dec/ead/index.htm">www.anr.state.vt.us/dec/ead/index.htm</a>	
Environmental Assistance	
Hotline (VT only)	800-974-9559
Facilities Engineering	802-241-3737
<a href="http://www.anr.state.vt.us/dec/FED/fed.htm">www.anr.state.vt.us/dec/FED/fed.htm</a>	
Geological Survey	802-241-3608
<a href="http://www.anr.state.vt.us/dec/geo/vgs.htm">www.anr.state.vt.us/dec/geo/vgs.htm</a>	
Laboratory	802-244-4522
<a href="http://www.anr.state.vt.us/dec/lab/index.htm">www.anr.state.vt.us/dec/lab/index.htm</a>	
Waste Management	802-241-3888
<a href="http://www.anr.state.vt.us/dec/wastediv/index.htm">www.anr.state.vt.us/dec/wastediv/index.htm</a>	
Wastewater Management	802-241-3822
<a href="http://www.anr.state.vt.us/dec/ww/wwmd.cfm">www.anr.state.vt.us/dec/ww/wwmd.cfm</a>	
Water Quality	802-241-3777
<a href="http://www.vtwaterquality.org/">www.vtwaterquality.org/</a>	
Water Supply	802-823-6500
<a href="http://www.vermontdrinkingwater.org/">www.vermontdrinkingwater.org/</a>	

## Act 250 Environmental Issues

For construction or improvements for new or existing commercial and industrial facilities, or for the change in use of an existing facility, you should check with the District Environmental Coordinator to determine if a Land Use Permit (Act 250) will be required. Environmental district offices are available to review and process land use applications by county:

### Natural Resources Board

802-828-3309  
[www.nrb.state.vt.us](http://www.nrb.state.vt.us)

## Environmental Assistance

The Vermont Small Business Development Center offers environmental assessment and information for all business types, including waste reduction and energy efficiency.

Call 800-464-7232 or e-mail: [pcrawfor@vtsbdc.org](mailto:pcrawfor@vtsbdc.org) to set up an appointment. [www.vtsbdc.org](http://www.vtsbdc.org) (regulatory assistance tab).

The Vermont Agency of Natural Resources offers non-regulatory environmental assistance and a permit handbook at 800-974-9559 or [www.anr.state.vt.us/dec/ead](http://www.anr.state.vt.us/dec/ead).

## Environmental Assistance Office

Permit Specialists are available in five Regional Offices to assist businesses in identifying all necessary state permits which may be required to operate a business. Knowing all the permits required before you begin your project can prevent costly delays, saving you time and money.

To find your Permit Specialist, visit the locator at: [www.anr.state.vt.us/dec/ead/pa/index.htm](http://www.anr.state.vt.us/dec/ead/pa/index.htm). The Permit Specialist will prepare a Project Review Sheet, which will list all potential permits you may need to start or expand your business.

The Vermont Permit Handbook provides a brief description of regulatory programs, including Small Business Fact Sheets which describe permits required for specific businesses such as bed and breakfasts, mini marts, restaurants and home bakeries/catering. [www.anr.state.vt.us/dec/permit\\_hb/index.htm](http://www.anr.state.vt.us/dec/permit_hb/index.htm).

The Environmental Assistance Division also offers non-regulatory environmental assistance to businesses through the Small Business Compliance Assistance Program (SBCAP). The SBCAP provides confidential over the phone and on-site assistance. Visit the SBCAP website at: [www.anr.state.vt.us/dec/ead/sbcap/index.htm](http://www.anr.state.vt.us/dec/ead/sbcap/index.htm) for free access to sector specific publications and fact sheets on environmental regulations written in plain English.

E-mail: [judy.mirro@state.vt.us](mailto:judy.mirro@state.vt.us) or call 800-974-9559

Environmental Assistance Hotline: 800-974-9559 (VT Only)

For Mercury and Fluorescent Bulb Assistance: 802-241-3589.

## 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.

Vermont Environmental Regulations	802-241-3745
Municipal Operations and Facilities	802-241-3471
Pollution Prevention	802-241-3629
Environmental Enforcement Division	802-241-3820
Facilities Engineering	802-241-3737
Geology	802-241-3496

### Permit Specialist Locator

[www.anr.state.vt.us/dec/ead/pa/index.htm](http://www.anr.state.vt.us/dec/ead/pa/index.htm)

## Motor Carrier and/or Hazardous Material

If you plan to operate a truck weighing more than 10,000 pounds, or a bus with a seating capacity of 9 or more passengers across state lines, or you plan to ship hazardous material, you may need to comply with the U.S. Department of Transportation's Federal Motor Carrier Safety Regulations and/or Hazardous Materials Regulations. For more information, contact:

### Federal Motor Carrier Safety Administration

87 State St., Rm. 305/P.O. Box 338  
Montpelier, VT 05601  
802-828-4480 • 802-828-4581 Fax  
[www.fmcsa.dot.gov](http://www.fmcsa.dot.gov)

## Signs

Check with your local town clerk or zoning administrator for guidelines for on-premise signs. No billboard-type signage is allowed. For information about Official Business Directional Signs, contact the Travel Information Council:

### Vermont Agency of Transportation

National Life, Ste. 433  
Montpelier, VT 05633  
802-828-2651

## Food And Agriculture Industry Issues

If you plan to go into the Food & Lodging, Nursing Home or Bakery businesses you may need to check with the Department of Health about licenses or permits.

### Vermont Department of Health

108 Cherry St./P.O. Box 70  
Burlington, VT 05402  
802-863-7200 • 802-865-7754 Fax  
[www.healthvermont.gov/enviro/index.aspx](http://www.healthvermont.gov/enviro/index.aspx)

### Office of Health Surveillance

Food and Lodging Program  
802-863-7221 or 800-439-8550

The Development Division of Agriculture has staff marketing representatives who can help with the promotion, marketing, packaging and support publications. Contact this department for information on licensing of dairy products, farm products, pesticides, greenhouse and nurseries, labeling, grades, standards, weights and measurements.

### Department of Agriculture

116 State St., Drawer 20  
Montpelier, VT 05602  
802-828-2416 • 802-828-3831 Fax  
[www.vermontagriculture.com](http://www.vermontagriculture.com)

The Vermont Food Venture Center is a federally funded source of information about the specialty food industry. Services available include workshops,

research and testing, labeling, marketing, distribution, financing, planning and database for suppliers and distributors in the food industry. Processing, baking and kitchen facilities are available on an hourly basis. For further information contact:

#### **Vermont Food Venture Center**

140 Junction Rd.  
Hardwick, VT 05843  
802-472-5362 ext. 1  
www.vermontfoodventurecenter.org  
george@hardwickagriculture.org

## **BAR CODING**

Many stores require bar coding on packaged products. Many industrial and manufacturing companies use bar coding to identify items they receive and ship. There are several companies that can assist businesses with bar-coding needs. You may want to talk with an SBDC, SCORE or WBC counselor for more information.

## **Federal Registration of Trademarks and Copyrights**

Trademarks or service marks are words, phrases, symbols, designs or combinations thereof that identify and distinguish the source of goods. Trademarks may be registered at both the state and federal level. To register a federal trademark, contact:

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

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

#### **Trademark Information Hotline**

703-308-9000

## **STATE REGISTRATION OF A TRADEMARK**

Trademarks and service marks may be registered in a state.

#### **Vermont Secretary of State, Corporations Division**

802-828-2386  
www.sec.state.vt.us/corps/

**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

## **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 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.

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

### Economic Development Organizations

Economic development organizations offer a wide array of programs and services for new businesses as well as for companies in need of expansion or relocation assistance. Typical services provided by these organizations includes site location, tax incentives and loan packages. For more information contact the economic development organization in the geographic area of your interest.

### Vermont Employment Growth Incentive

The State of Vermont offers job creation incentives through the Vermont Employment Growth Incentive program for new, relocating or expanding companies that meet the statutory requirements of the program. Companies must be adding new, qualifying jobs in Vermont and must show that they would not otherwise expand in or locate to Vermont without the incentive. For information on the program and application forms, visit: [www.thinkvermont.com/vepc](http://www.thinkvermont.com/vepc) or contact Fred Kenney at: National Life Bldg., Drawer 20 Montpelier, VT 05620-0501 802-828-5256 • 802-828-3258 Fax [fred.kenney@state.vt.us](mailto:fred.kenney@state.vt.us)

### Micro Business Development Program (MBDP)

A program of the Vermont Community Action Agencies that promotes self-employment and business ownership as a means to strengthen the economic self-sufficiency of low to moderate-income Vermonters and the economic vitality of our communities. We provide one-on-one business counseling, business planning, training and business loan application assistance. MBDP is located at the five Community Action Agencies around the state. For further information and/or assistance, contact the MBDP closest to you.

### BENNINGTON-RUTLAND OPPORTUNITY COUNCIL, INC. (BROC)

60 Center St.  
Rutland, VT 05701  
800-717-2762 or 802-775-0878  
802-775-9949 Fax  
[mrock@broc.org](mailto:mrock@broc.org)

### CENTRAL VERMONT COMMUNITY ACTION COUNCIL (CVCAC)

327 U.S. Rte. 302-Berlin  
Berlin, VT 05641  
800-843-8397

### CHAMPLAIN VALLEY OFFICE OF ECONOMIC OPPORTUNITY (CVOEO)

294 N. Winooski Ave., Ste. 214B  
Burlington, VT 05401  
800-287-7971 • 802-860-1387 Fax  
[mdbdp@together.net](mailto:mdbdp@together.net)

### NORTHEAST KINGDOM COMMUNITY ACTION (NEKCA)

P.O. Box 346  
Newport, VT 05855  
800-639-4065 or 802-748-6048  
802-748-0732 Fax  
[mdbdp@nekca.org](mailto:mdbdp@nekca.org)

### SOUTHEAST VERMONT COMMUNITY ACTION, INC. (SEVCA)

91 Buck Dr.  
Westminster, VT 05158  
800-464-9951 or 802-722-4575  
802-722-4509 Fax  
[jjuhasz@sevca.org](mailto:jjuhasz@sevca.org)

### Regional Development Corporations

Every area in the state is served by a Regional Development Corporation staffed by a full time professional who is responsible for encouraging economic development. A wide range of help is available from financial packaging to permit assistance, to locating space and making contacts. For more information, contact:

### ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION

Robin Scheu, Executive Director  
1590 U.S. Rte. 7 S., Ste. 2  
Middlebury, VT 05753  
802-388-7953 • 802-388-0119 Fax  
[rpscheu@addisoncountyledc.org](mailto:rpscheu@addisoncountyledc.org)  
[www.addisoncountyledc.org](http://www.addisoncountyledc.org)

### BENNINGTON COUNTY INDUSTRIAL CORPORATION

Peter Odierna, Executive Director  
215 South St./P.O. Box 923  
Bennington, VT 05201  
802-442-8975 • 802-447-1101 Fax  
[peter@bcic.org](mailto:peter@bcic.org)  
[www.bcic.org](http://www.bcic.org)

### BATTLEBORO DEVELOPMENT CREDIT CORPORATION

Jeff Lewis, Executive Director  
76 Cotton Mill Hill  
Brattleboro, VT 05301  
802-257-7731 • 802-257-0294 Fax  
[jlewis@brattleborodevelopment.com](mailto:jlewis@brattleborodevelopment.com)  
[BDCC@sover.net](mailto:BDCC@sover.net)  
[www.brattleborodevelopment.com](http://www.brattleborodevelopment.com)

### CENTRAL VERMONT ECONOMIC DEVELOPMENT CORPORATION

Susan Anderson, Executive VP  
One National Life Dr./P.O. Box 1439  
Montpelier, VT 05601  
802-223-4654 • 802-223-4655 Fax  
[cvedcevp@sover.net](mailto:cvedcevp@sover.net)  
[www.central-vt.com/cvedc/](http://www.central-vt.com/cvedc/)

### FRANKLIN COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

Timothy J. Smith, Executive Director  
2 N. Main St.  
St. Albans, VT 05478-1099  
802-524-2194 • 802-524-6793 Fax  
[tim@fcidc.com](mailto:tim@fcidc.com)  
[www.fcidc.com](http://www.fcidc.com)

### GREATER BURLINGTON INDUSTRIAL CORPORATION

Frank Cioffi, President  
60 Main St., Ste. 101/P.O. Box 786  
Burlington, VT 05401  
802-862-5726 or 800-942-4288  
802-860-1899 Fax  
[frank@vermont.org](mailto:frank@vermont.org)  
[www.vermont.org/gbic](http://www.vermont.org/gbic)

### GREEN MOUNTAIN ECONOMIC DEVELOPMENT CORPORATION

Joan Goldstein, Executive Director  
171 Bridge St./P.O. Box 246  
White River Junction, VT 05001  
802-295-3710 • 802-295-3779 Fax  
[jgoldstein@gmedc.com](mailto:jgoldstein@gmedc.com)  
[www.gmedc.com](http://www.gmedc.com)

### LAKE CHAMPLAIN ISLAND CHAMBER OF COMMERCE

Ruth Wallman, Executive Director  
U.S. Route 2/P.O. Box 213  
North Hero, VT 05474  
802-372-8400 • 802-372-5107 Fax  
[ruth@champlainislands.com](mailto:ruth@champlainislands.com)  
[www.champlainislands.com](http://www.champlainislands.com)

### LAMOILLE ECONOMIC DEVELOPMENT CORP.

John Mandeville, Executive Director  
Route 100/P.O. Box 455  
Morrisville, VT 05661  
802-888-5640 • 802-851-1136 Fax  
[john@lamoilleconomy.org](mailto:john@lamoilleconomy.org)  
[www.lamoilleconomy.org](http://www.lamoilleconomy.org)

### NORTHEASTERN VERMONT DEVELOPMENT ASSOCIATION

Steve Patterson, Executive Director  
36 Eastern Ave./P.O. Box 630  
St. Johnsbury, VT 05819  
802-748-5181 • 802-748-1223 Fax  
[spatterson@nvda.net](mailto:spatterson@nvda.net)  
[info@nvda.net](mailto:info@nvda.net)  
[www.nvda.net](http://www.nvda.net)

### RUTLAND ECONOMIC DEVELOPMENT CORPORATION

James Stewart, Executive Director  
112 Quality Ln.  
Rutland, VT 05701  
802-773-9147 • 802-773-8009 Fax  
[jstewart@rutlandeconomy.com](mailto:jstewart@rutlandeconomy.com)  
[www.rutlandeconomy.com](http://www.rutlandeconomy.com)

### SPRINGFIELD REGIONAL DEVELOPMENT CORPORATION

Bob Flint, Director  
14 Clinton St., Ste. 7  
Springfield, VT 05156  
802-885-3061 • 802-885-3027 Fax  
[info@springfielddevelopment.org](mailto:info@springfielddevelopment.org)  
[bofb@springfielddevelopment.org](mailto:bofb@springfielddevelopment.org)  
[www.springfielddevelopment.org](http://www.springfielddevelopment.org)

## Vermont Department of Economic Development

The Vermont Department of Economic Development works closely with the Vermont business community and other organizations in order to enhance economic opportunity for all Vermont residents. The department offers assistance to businesses in many areas and has connections in state government and the private sector to put you in contact with additional sources of information and support. For information about VED's programs, services and partners contact:

### VERMONT DEPARTMENT OF ECONOMIC DEVELOPMENT

National Life Bldg., 6th Fl.  
Montpelier, VT 05620-0501  
802-828-3080 or 866-933-6240 Toll Free  
802-828-3258 Fax  
[info@thinkvermont.com](mailto:info@thinkvermont.com)  
[www.thinkvermont.com](http://www.thinkvermont.com)

## Vermont Experimental Program to Stimulate Competitive Research

The Vermont EPSCoR office is headquartered on the University of Vermont campus and involves activities at nine colleges and universities in the state. EPSCoR has a four-fold mission: to strengthen research capability in areas of strategic importance to Vermont; 2) to strengthen linkages between science and technology in higher education and the needs of the private sector; 3) to help train the workforce of scientists and engineers; and 4) to support the implementation of the state plan for science and technology. For more information, contact:

### VERMONT EPSCoR

Cook Physical Science Bldg.  
82 University Place  
University of Vermont  
Burlington, VT 05405  
802-656-7969 • 802-656-2950 Fax  
[epsco\\_r@uvm.edu](mailto:epsco_r@uvm.edu)  
[www.uvm.edu/EPSCoR](http://www.uvm.edu/EPSCoR)

## Vermont Manufacturing Extension Center (VMEC)

The Vermont Manufacturing Extension Center (VMEC) is a not-for profit center whose mission is to improve manufacturing in Vermont and strengthen the global competitiveness of the state's manufacturers. This is accomplished by providing unbiased, one-on-one technical and business assistance and training to help manufacturers improve operations, modernize processes, increase productivity, introduce new technologies and reduce costs. VMEC staff members are hands-on implementers of complete manufacturing solutions - from shop floor through the front office. VMEC advisers are also trained in accessing and linking with other local or national technical assistance resources, public and private, if necessary. Confidential

# OTHER ASSISTANCE

assistance is provided on a reasonable fee-for-service basis.

## VERMONT MANUFACTURING

Extension Center  
Bob Zider, Director/CEO  
P.O. Box 12  
Randolph Center, VT 05061  
802-728-1432 • 802-728-1456 Fax  
vmec@vmec.org  
www.vmec.org

## Chambers of Commerce

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

## STATE CHAMBER:

### VERMONT CHAMBER

Betsy Bishop, President  
P.O. Box 37  
Montpelier, VT 05601  
802-223-3443 • 802-223-4257 Fax  
info@vtchamber.com  
www.vtchamber.com

## AREA CHAMBERS:

### ADDISON COUNTY CHAMBER

2 Court St.  
Middlebury, VT 05753  
802-388-7951 • 802-388-8066 Fax  
info@addisoncounty.com  
www.addisoncounty.com

### BARTON AREA CHAMBER

P.O. Box 776  
Barton, VT 05822  
802-239-4147 • 802-525-8840 Fax  
info@centerofthekingdom.com  
www.centerofthekingdom.com

### BENNINGTON AREA CHAMBER

100 Veterans Memorial Dr., Rte. 7  
Bennington, VT 05201  
802-447-3311 • 802-447-1163 Fax  
chamber@bennington.com  
www.bennington.com/chamber/

### BRANDON AREA CHAMBER

Rte. 7/P.O. Box 267  
Brandon, VT 05733  
802-247-6401  
www.brandon.org  
info@brandon.org

### BRATTLEBORO AREA CHAMBER

180 Main St.  
Brattleboro, VT 05301  
802-254-4565 • 802-254-5675 Fax  
info@brattleborochamber.org  
www.brattleborochamber.org

### BURKE AREA CHAMBER

P.O. Box 347  
East Burke, VT 05832  
802-626-4124 • 802-626-8163 Fax  
burkechamber@burkevermont.com  
www.burkevermont.com

### CENTRAL VT CHAMBER

P.O. Box 336  
Barre, VT 05641  
802-229-5711 • 802-229-5713 Fax  
cvchamber@aol.com  
www.central-vt.com

### DANVILLE CHAMBER

P.O. Box 253  
Danville, VT 05828  
802-535-5094

### DORSET CHAMBER

P.O. Box 121  
Dorset, VT 05251  
802-867-2450 • 802-867-0132 Fax  
chamber@dorsetvt.com  
www.dorsetvt.com

### FAIR HAVEN CHAMBER

P.O. Box 206  
Fair Haven, VT 05743  
802-265-8600  
contact@fairhavenchambervt.com  
www.fairhavenchambervt.com

### FRANKLIN COUNTY REGIONAL CHAMBER

2 N. Main St., Ste. 101  
St. Albans, VT 05478  
802-524-2444 • 802-524-2256 Fax  
director@frcrcvt.com  
www.frcrcvt.com

### GREAT FALLS REGIONAL CHAMBER

17 Depot St.  
Bellows Falls, VT 05101  
802-463-4280 • 802-463-4280 Fax  
info@gfrcc.org  
www.gfrcc.org

### HARDWICK AREA CHAMBER

P.O. Box 111  
Hardwick, VT 05843  
802-472-5906 • 802-472-6865 Fax  
chamber@heartofvt.com  
www.heartofvt.com

### HARTFORD AREA CHAMBER

100 Railroad St.  
White River Junction, VT 05001  
802-295-7900 • 802-296-8280 Fax  
info@hartfordvtchamber.com  
www.hartfordvtchamber.com

### ISLAND POND AREA CHAMBER

P.O. Box 255  
Island Pond, VT 05846  
info@islandpondchamber.org  
www.islandpondchamber.org

### JAY PEAK CHAMBER

P.O. Box 436  
Montgomery Center, VT 05471  
802-988-4120  
info@jaypeakvermont.org  
www.jaypeakvermont.org

### KILLINGTON CHAMBER

P.O. Box 114  
Killington, VT 05751  
802-773-4181 • 802-775-7070 Fax  
info@killingtonchamber.com  
www.killingtonchamber.com

### LAKE CHAMPLAIN ISLANDS CHAMBER

P.O. Box 213  
North Hero, VT 05474-0213  
802-372-8400 • 802-372-5107 Fax  
info@champlainislands.com  
www.champlainislands.com

### LAKE CHAMPLAIN REGIONAL CHAMBER

60 Main St., Ste. 100  
Burlington, VT 05401  
802-863-3489 • 802-863-1538 Fax  
vermont@vermont.org  
www.vermont.org/

### LAMOILLE VALLEY CHAMBER

34 Pleasant St., Unit 1  
Morrisville, VT 05661-0445  
802-888-7607 • 802-824-5006 Fax  
info@lamoillevallychamber.com  
www.lamoillevallychamber.com

### LONDONDERRY AREA CHAMBER

P.O. Box 58  
Londonderry, VT 05148  
802-824-8178 • 802-824-5473 Fax  
londcham@sover.com  
www.londonderryvt.com

### LOWER COHASE REGIONAL CHAMBER

P.O. Box 209  
Bradford, VT 05033  
802-757-2549  
lowercohase@hotmail.com  
www.cohase.org

### LYNDON AREA CHAMBER

P.O. Box 886  
Lyndonville, VT 05851  
802-626-9696 • 802-626-1167 Fax  
info@lyndonvermont.com  
www.lyndonvermont.com

### MAD RIVER VALLEY CHAMBER

P.O. Box 173  
Waitsfield, VT 05673  
802-496-3409 • 802-496-5420 Fax  
chamber@madriver.com  
www.madrivervalley.com

### MANCHESTER & THE MTNS REGIONAL CHAMBER

5046 Main St., Ste. 1  
Manchester Center, VT 05255  
802-362-2100 • 802-362-3451 Fax  
www.manchestervermont.net  
visitor@manchesterchamber.net

### MT. SNOW VALLEY CHAMBER

P.O. Box 3  
Wilmington, VT 05363  
802-464-8092 • 802-464-0287 Fax  
info@visitvermont.com  
www.visitvermont.com

### NORTHEAST KINGDOM CHAMBER

51 Depot Sq., Ste. 3  
St. Johnsbury, VT 05819  
802-748-3678 • 802-748-0731 Fax  
nekinfo@nekchamber.com  
www.nekchamber.com

### OKEMO VALLEY REGIONAL CHAMBER

P.O. Box 333  
Ludlow, VT 05149  
802-228-5830 • 802-228-7642 Fax  
mgraf@yourplaceinvermont.com  
www.yourplaceinvermont.com

### POULTNEY AREA CHAMBER

P.O. Box 151  
Poultney, VT 05764  
802-287-2010 • 802-287-2010 Fax  
poultneyvt@yahoo.com  
www.poultneyvt.com

### RANDOLPH AREA CHAMBER

66 Central St./P.O. Box 9  
Randolph, VT 05060  
802-728-9027 • 802-728-4705 Fax  
mail@randolph-chamber.com  
www.randolph-chamber.com

### RUTLAND REGION CHAMBER

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# OTHER ASSISTANCE

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Waterbury, VT 05676  
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www.waterbury.org

**WINDSOR/MT. ASCUTNEY REGIONAL CHAMBER**  
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chamber@windsorvt.com  
www.windsorvermont.net

**WOODSTOCK AREA CHAMBER**  
4 Central St./P.O. Box 486  
Woodstock, VT 05091  
802-457-3555 • 802-457-1601 Fax  
info@woodstockvt.com  
www.woodstockvt.com



## SUCCESS STORY

### Nathaniel Group Grows With SBA Help



Nathaniel Group in Vergennes was started in 1987 by Joel Melnick. Joel was raised in Brooklyn,

NY and has a degree in electrical engineering.

Joel's product lines include illumination, medical and opto-electronic instruments. The company designs and manufactures custom products for medical electronic instruments, specializing in minimally invasive (arthroscopic) surgical and diagnostic devices.

The types of products used in arthroscopy drove the company in product innovation with pumps, light sources, medical imaging and motorized surgical tools. An aging but very active population and the growth of sports medicine has kept the field growing steadily for two decades.

More recently, Nathaniel Group has become a world leader on the cutting edge of LED and laser lighting products that are

energy efficient and used by the medical industry, in scientific research and in machine vision. For example, the company developed an LED based cool light replacement for tungsten halogen lamps for microscopes that will last as long as the microscope itself and never need a bulb change. The products are sold and used all around the globe.

From the time he started his own business, Joel was interested in basing his company's culture on best practices principles where employees are treated respectfully and not motivated by fear. He believes that the best results are achieved when employees are involved team members and given challenging work.

Over the years he has seen the company grow from one to 43 employees. He credits the SBA with helping the company's expansion. 'The SBA has been instrumental in our company's success,' he said. 'They guarantee loans, which allows banks to loan you more than they would have otherwise. We've been able to get the loans that have allowed us to grow. It would have been impossible without the SBA's help. They've been nice to work with. The

SBA seems really interested in your success as a company. They want you to grow and do well.'

The Nathaniel Group prides itself on nearly perfect on-time delivery of products and the fact that they have had no out-of-the-box failures in well over a year. The long-term acceptance rate at the customer facility is 99.6 percent, and the company's constantly improved fabrication process has given them a world class scrap rate of less than 0.2 percent. 'We built our businesses,' Melnick says in his company profile, 'on solving difficult problems: manufacturing obsolete designs and sub-assemblies and creating practical and elegant solutions to complex design and manufacturing problems.'

We are committed to remaining small, flexible and adaptable. The company has won numerous awards over the years, both for its cutting edge technology as well as for its socially conscious business practices. 'Vermont is full of small companies like ours,' Joel said, 'doing high quality technical work. There are good people around, and Vermont is a good state to be in.'

# SBA PARTICIPATING LENDERS

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802-658-1010

### BERKSHIRE BANK (P,E)

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### MERCHANTS BANK (P,E)

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### NORTHFIELD SAVINGS BANK

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802-485-5204 • 802-485-7565 F

### OPPORTUNITIES CREDIT UNION (E)

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Winooski, VT 05404  
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802-748-3196 • 802-751-4275 F

### PEOPLES TRUST CO. (E)

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St. Albans, VT 05478  
802-524-2196 • 802-524-7763 F

### PEOPLES UNITED BANK (P,E)

2 Burlington Square  
P.O. Box 82  
Burlington, VT 05402-0820  
802-658-4000

### RANDOLPH NATIONAL BANK

P.O. Box 368  
Randolph, VT 05060  
802-728-9611 • 802-728-5993 F

### UNION BANK (P,E)

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Morrisville, VT 05661  
802-888-6600 • 802-888-7697 F

### VERMONT FEDERAL CREDIT UNION (E)

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Burlington, VT 05402  
802-252-0202

### VSECU (E)

365 Paine Turnpike  
Berlin, VT 05601  
802-371-5162 • 802-225-1066 F

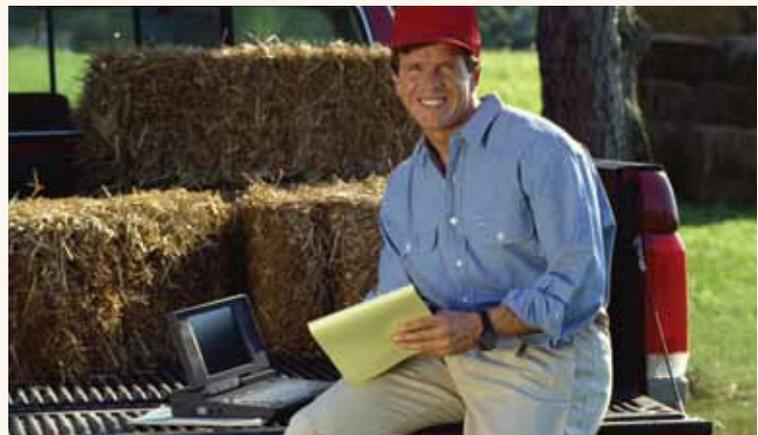
### WELLS RIVER SAVINGS BANK

34 Main St./P.O. Box 645  
Wells River, VT 05087  
802-757-2361

P=Preferred E=Express

## WEBSITES OF INTEREST

- SBA Home Page at [www.sba.gov](http://www.sba.gov) offers a number of Internet services. You can get information on starting, financing and expanding your business.
- Official U.S. Internet gateway to all of government: [www.usa.gov](http://www.usa.gov)
- Federal Acquisition Regulation (FAR) on [www.arnet.gov/far](http://www.arnet.gov/far). The FAR regulates terms and conditions for most Federal solicitations and contracts.
- Register with the CCR (Central Contractor Registration) by accessing the website: [www.ccr.gov](http://www.ccr.gov). Registration is mandatory to do business with the Department of Defense. You will be assigned a TPIN (trading partner identification number).
- TIN (Tax Identification Number) or EIN (Employers Identification Number). Check the Internal Revenue Service site: [www.irs.gov/](http://www.irs.gov/) for forms.
- The Federal Government as a listing of a firm's capacity is using NAICS (North American Industrial Classification System) Codes. These codes and their size standards are located at: [www.sba.gov/size/](http://www.sba.gov/size/)
- Veterans, please review information at: [www.sba.gov/vets](http://www.sba.gov/vets) and [www.vetbiz.gov](http://www.vetbiz.gov)
- RENI Publishing - [www.reni.net](http://www.reni.net) Small Business Resource information can be downloaded from this site.
- Federal Webpage: [www.usa.gov](http://www.usa.gov)
- Link to all the information and services government provides for the business community: [www.business.gov](http://www.business.gov)
- Business Signage is a very important key to inviting potential clients into your business. [www.sba.gov/starting/signage](http://www.sba.gov/starting/signage)



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