

**Leveling the
Playing Field
for Minority-Owned
Small Businesses**
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OPEN THE DOOR TO SMALL BUSINESS RESOURCES.



When it comes to Nevada business, we provide much more than just banking products. With tools like NevadaSmallBusiness.com, interactive webinars, and Business Center teams that can help you plan, grow and succeed—we are a resource for everything business. It's our goal to see Nevada businesses thrive. Because we're a Nevada business, too. *Bring your banking home.*

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SMALL BUSINESS

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2014 NEVADA

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On the Cover: Diane Lewis's Action Facilities Management in Morgantown, West Virginia, was started as a home-based business. SBA assisted Lewis in writing her business plan and with workshops on government contracting. Lewis entered the SBA 8(a) Business Development program for counseling, training and match-making opportunities. Her business has grown to approximately 300 employees.



Publishers of Small Business Resource

Advertising

Phone: 863-294-2812 • 800-274-2812

Fax: 863-299-3909 • www.sbaguides.com

Staff

President/CEO

Joe Jensen

jjensen@reni.net

English/Spanish Small Business Resource

Advertising

Nicky Roberts

nroberts@reni.net

Martha Theriault

mtheriault@reni.net

Kenna Rogers

krogers@reni.net

Production

Diane Traylor

dtraylor@reni.net

SBA's Marketing Office:

The Small Business Resource Guide is published under the direction of SBA's Office of Marketing and Customer Service.

Director of Marketing

Paula Panissidi

paula.panissidi@sba.gov

Graphic Design

Gary Shellehamer

gary.shellehamer@sba.gov

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FROM THE REGIONAL ADMINISTRATOR



At the U.S. Small Business Administration (SBA), we understand that small business is at the center of our nation's economic growth potential. It's where new jobs are created. We recognize that successful small businesses are critical for America's

economic recovery, financial strength and competitiveness in the global marketplace. Region IX, which includes: Arizona, California, Hawaii, Nevada, Guam and U.S. territories in the Pacific, is the most economically robust, vibrant, and productive region in the nation. The prime mission of the district offices located throughout Region IX is to help small businesses start, grow and succeed. We do that by focusing on "The Three Cs; Capital, Contracting and Counseling."

CAPITAL

Since its inception, the SBA has provided tens of billions in loan guarantees. From the smallest needs (microlending) - to substantial debt and equity investment capital (venture capital), the agency provides an array of financing for small businesses. Our goal is to expand access to capital among small businesses and to optimize their growth potential for success. SBA also provides disaster assistance to homeowners, renters and small businesses during declared disasters.

CONTRACTING

The agency helps small businesses access nearly \$100 billion in federal contracts each year and provides assistance and guidance to small businesses with subcontracting procurement opportunities, outreach programs, and training. We want to create an environment for maximum participation by small, disadvantaged, veteran, HUBZone

and woman-owned business in federal government contract awards. In FY12, small businesses in our region received \$89.9 billion in contracting dollars.

COUNSELING

SBA provides free individual face-to-face and Internet counseling for small business owners. Low-cost training for entrepreneurs creating new ventures is also available. Simply stated, we are committed to helping small businesses start, grow, and compete in global markets with quality training, counseling, and access to unique resources. Working with our valued SBA resource partners such as the Small Business Development Centers (SBDC), Women Business Centers (WBC) and SCORE Chapters, we are able to assist existing small businesses and new entrepreneurs to thrive and grow.

As we know, successful small businesses lead to financially stronger and better communities. Our focus at the SBA is to provide support for small business owners and entrepreneurs and work to advance economic development, growth and competitiveness throughout the Region.

So, whether you are starting up or speeding up, I hope you will find this Business Resource Guide helpful. We are here to serve you and will continue to work for small business at every stage to provide access to more capital, more access to counseling, and more contracting opportunities. Let's continue to dream big, be bold and make things happen.

Kind regards,

Donna J. Davis
Regional Administrator
U.S. Small Business Administration

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Get your business check-up today!



SBA.gov/healthcare

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

Healthcare.gov

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

BusinessUSA.gov/healthcare

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

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

NEVADA

*A Unity of Lands
A Diversity of People,
Businesses & Territories*

To better appreciate the unique character and rich diversity of Nevada and the boundless opportunities for small business creation and development, the state may be viewed as six distinctive territories where the entrepreneurial spirit may flourish:

Reno-Tahoe Territory borders the scenic eastern slopes of the Sierra Nevada mountain range and is home to Carson City--the state capital, Reno – the “Biggest Little City in the World,” the University of Nevada Reno, Lake Tahoe and extensive recreation and tourism businesses.

Las Vegas Territory encompasses Las Vegas -- the “Entertainment Capital of the World,” the University of Nevada Las Vegas, Nellis Air Force Base – “Home of the Thunderbirds,” two of the fastest growing cities in the nation – Las Vegas and Henderson, Hoover Dam, Lake Mead, and rapidly expanding construction, medical, retail, service and tourism sectors.

Pioneer Territory is the south central heartland of Nevada and home to military research and the newly designated Extraterrestrial Highway.

Pony Express Territory includes Fallon Naval Air Station – “Home of the Navy TOPGUN School,” U.S. Highway 50 – “The Loneliest Road in America” and the Great Basin National Park.

Cowboy Country is famous for westward trailblazers and wagon trains, cattle and sheep ranchers, gold and silver mining operations and the annual cowboy poetry gatherings in Elko.

Indian Territory covers the entire state with 26 Native American tribes seeking opportunities to preserve and balance Indian cultural values with economic self-sufficiency for over 37,000 tribal members.



Welcome to Nevada...

The entrepreneurial state of America, where anyone with a dream and a plan for starting and building a small business can see their dream come true with the dedicated support of the U.S. Small Business Administration (SBA).

In Nevada you'll find: a rapidly growing economic foundation; world-class gaming, recreation and tourism; one-of-a-kind business opportunities; and breath-taking natural spectacles. Nevada is open 24 hours a day and 365 days a year for you to capitalize on your business development interests. And it's full of cultural and historic wonders, like Great Basin National Park, Lake Tahoe, Native American Pow Wows, thundering cattle drives and lonesome ghost towns.

Nevada is just a short hop by car or plane to the major business and commercial markets of the West and Southwest. But once you've enjoyed the business and personal lifestyle available here, you'll wonder why anyone would ever want to be anywhere else.

SBA and Nevada Small Businesses are your Partners in Progress for the growth and development of The Entrepreneurial State of America! Please Join Us In This Effort!

Nevada History, Facts & Figures

To better understand Nevada and its inviting entrepreneurial environment, a brief understanding of state history and significant socio-economic and geopolitical characteristics is essential:

Nevada History: The name Nevada, meaning "snowcapped," was adopted in 1861 when the territory was established. Its nickname is "The Silver State."

First settlement – Genoa, near Carson City, settled by Mormons in 1849, then called Mormon Station. Admitted as part of Utah Territory in 1854.

1861 – Admitted as Territory of Nevada on March 2.

1864 – Admitted as State of Nevada on October 31, now a state holiday.

State Flag – On the cobalt blue background; in the upper left quarter is a five-pointed silver star between two sprays of sagebrush crossed to form a half wreath; across the top of the wreath is a golden scroll with the words, in black letters, "Battle Born." The name "Nevada" is beneath the star in gold letters. Design adopted March 26, 1929, revised in 1991.

State Seal – adopted February 24, 1886. A gold seal is embossed with the words "The Great Seal of the State of Nevada" around the edge. Within this is a composite picture showing the mining, agriculture, industry and scenery of Nevada, under which is a scroll with the state motto, "All for Our Country."

State Capital – Carson City, selected 1864.

- The 7th largest state in the nation, geographically.
- A population of 2,758,931 (2011 U.S. Census Bureau estimate); the twenty sixth fastest growing state in the nation (by percentage from 2010 – 2011)

- 82.9 percent owned by the federal government

Key industries are:

- Aerospace & defense.
- Clean energy.
- Business IT ecosystems.
- Logistics and warehousing.
- Gold, silver & copper mining.
- Tourism, gaming & recreation.

- Beneficial business tax structure of:

- NO personal income tax.
- NO corporate income tax.
- NO inheritance tax.
- NO franchise tax.
- NO business inventory tax.

- Racial/ethnic composition of 2,758,931 Nevadans (2012 estimate) include:

- 52.7 percent Caucasian – 1,455,200
- 27.3 percent Hispanic-American – 752,051
- 7.9 percent African-American – 219,044
- 8.0 percent Asian/Pacific Islander – 222,027
- 0.9 percent Native American – 25,345

- Small businesses significantly impact Nevada's economy. They represent 95.6 percent of all employers and employ 41.7 percent of the private-sector workforce. Small businesses are crucial to the fiscal condition of the state and number 222,457.

Business composition of 222,457 state-wide firms in Nevada includes:

- 8,658 African-American-owned.
- 1,175 Native American.
- 582 Asian-Pacific Islander.
- 18,035 Hispanic-American.
- 17,542 Asian-owned.
- 47,500 Minority-owned firms or 21 percent of the state total.
- 63,285 women-owned or 28.5 percent of the state total.
- 58,777 of the 222,457 state-wide firms include one or more employees.
- Firms with fewer than 100 employees (including non-employers) represent 98.1 percent of the firms in Nevada.
- 79.6 percent of all businesses do not have employees.

Sources: U.S. Census-2009 County Business Patterns and Economic Census for Nevada, revised June, 2011, DETR Sept. 2012 and SBA Office of Advocacy.

www.sba.gov/nv

LAS VEGAS OFFICE

Edward J. Cadena	District Director
Robert Holguin	Deputy District Director
Robert Pearson	District Counsel
Edward P. Brown	Lead Lender Relations Specialist and Chief of Finance
Nanette H. Randolph	Business Opportunity Specialist
Roy Brady	Lender Relationship Specialist
Christina Stace	Economic Development Specialist and Administrative Officer
Barry Van Orden	Business Opportunity Specialist
George Dupin, III	Procurement Center Representative

U.S. DEPARTMENT OF COMMERCE

Andrew Edlefsen	Senior International Trade Specialist
Janis Kalnins	International Trade Specialist

RENO OFFICE

David Leonard	Branch Manager Reno, NV
Judith Hepburn	Economic Development Specialist Public Information Officer Reno, NV

We Welcome Your Questions

For extra copies of this publication or questions please contact:

Nevada District Office
300 S. Fourth Street, Suite 400
Las Vegas, NV 89101

Tel: 702-388-6611 Fax: 702-388-6469

Website: www.sba.gov/nv

Reno Office
300 Booth Street, Suite 3065
Reno, NV 89509

Tel: 775-827-4923



Rules For Success

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

We are pleased to present you with this 2013 edition of our Nevada Small Business Resource Guide. The prior editions were distributed to 10,000 individuals in Nevada who had an interest in small business start-up or expansion.

This Guide provides practical “how to” information for the entrepreneur, as well as guidance on “where to go.” It includes a list of lenders who serve small business owners through SBA Guaranty Loan Programs.

Add this Guide to the SBA’s newly redesigned website at www.sba.gov – and you will open a gateway to extensive small business assistance.

To start you on the path to successful business ownership or business expansion, we’ve included some important aspects of small business ownership for you to consider, something we call the:

Five Rules for Success

Small businesses can be fragile in many ways. In order to have the best chance to achieve and maintain stability, entrepreneurs who are becoming small business owners should keep the following Rules for Success in mind:

Lead with Revenues and Trail with Expenses

Establishing and maintaining positive cash flow is likely the most important factor in determining the fate of nearly all small businesses. Strive to structure your business operations to generate the best ratio of revenues to expenses, especially during the first year’s start-up phase.

Your Employees Will Make or Break Your Company

For all practical purposes, your employees ARE the company. That’s why it’s so important to hire the right people at the right time, and train them to do the right things, for every customer. How you compensate, reward and treat your staff will also play a major role in how your customers will be treated by your employees.

Your Company Needs to Stand Out to Avoid Losing Out

With competition increasing on every front, your business must stand out in the minds of both potential and current customers. That means you can’t be just “average” and expect to enjoy long-term survival. Consumers will choose to purchase from companies that meet their expectations of excellence in all phases of the buying experience. Learn what your customers want, and then commit to becoming and remaining a company that thrives on delivering more than they expect!

Your Company Will Always be Growing or Dying

We’re not talking about size and revenues here, but something much more important. You and your company will either continue to learn and put into practice what it takes to be successful in your market, or you will fall victim to other companies which will take your place. Resolve to never stop learning about your market, your customers, your opportunities and yourself. You’re either growing, or dying.

Strive to Work on Your Business, Not Just In Your Business

It’s important to structure your business to produce the same results for your customers every time, whether or not it’s you or someone else doing the actual work. Taking the time to properly develop procedures and practices for every significant function you and your employees perform will enable you to more effectively manage the company, and not be just another employee. That’s important as you look for ways to improve your operations.

We sincerely desire to do all we can to help you experience a successful business start-up or expansion. We invite you to learn more about who we are and what we do through SBA programs, services and special initiatives – and then, call on us for your specific requests for assistance. We look forward to helping you!

Sincerely,

Edward J. Cadena

District Director
SBA Nevada District Office

Doing Business in Nevada

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

THE NEVADA DISTRICT OFFICE

The Nevada District Office is responsible for the delivery of SBA's many programs and services. The District Director is Edward J. Cadena. The District Office is located at 300 S. Fourth Street, Suite 400, Las Vegas, NV 89101. The Reno Office is located at 300 Booth Street, Suite 3065, Reno, NV 89509. Office hours for both locations are from 8:00 AM until 4:30 PM, Monday through Friday.

CONTACTING THE NEVADA DISTRICT OFFICE

For general program and service information in Clark County please contact our Front Desk at 702-388-6611. Outside Clark County contact our Reno office at 775-827-4923.

SERVICES AVAILABLE

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

Free counseling, advice and information on starting, better operating or expanding a small business may be received through the Service Corps of Retired Executives (SCORE), Small Business Development

Centers (SBDC), Women's Business Centers (WBC) and Veteran's Business Outreach Center (VBOC). These groups also conduct training events throughout the state - some require a nominal registration fee.

For information on financing in Clark County, please contact Edward Brown at 702-388-6687 or e-mail: edward.brown@sba.gov, or contact Roy Brady, 702-388-6686 or roy.brady@sba.gov. Outside Clark County please contact David Leonard at 775-827-4923 or e-mail: david.leonard@sba.gov.

Government contracting assistance to businesses owned and controlled by socially and economically disadvantaged individuals may be obtained through the Business Development Program staffed by Nanette Randolph at 702-388-6690 or e-mail: nanette.randolph@sba.gov or contact Barry VanOrden at 702-388-6674 or barry.vanorden@sba.gov.

A Women's Business Ownership Representative is available to assist women business owners. In Clark County, please contact Nanette Randolph

at 702-388-6690 or nanette.randolph@sba.gov. Outside of Clark County, contact Judith Hepburn at 775-827-4923 or e-mail: judith.hepburn@sba.gov.

Special export loan programs are available for businesses involved in international trade. In Clark County, please contact Bob Holguin at 702-388-6015 or robert.holguin@sba.gov. Outside Clark County, contact David Leonard at 775-827-4923 or e-mail: david.leonard@sba.gov.

A tribal business representative is available to tribal or Native-American owned businesses. In Clark County, please contact Bob Holguin at 702-388-6015 or robert.holguin@sba.gov. Outside Clark County, contact David Leonard at 775-827-4923 or david.leonard@sba.gov.

A Veteran's Affairs Officer is available to assist veterans. In Clark County, please contact Bob Holguin at 702-388-6015 or robert.holguin@sba.gov. Outside Clark County, contact David Leonard at 775-827-4923 or david.leonard@sba.gov.



SUCCESS STORY

RO Bus Sales: Carrying Precious Cargo

In 1999 Joe Machin and Brian Edwards opened a mobile repair shop. They started the company out of their homes with one truck and two employees – themselves. After a year on the road they opened their first repair facility, RO Truck & Equipment and rapidly grew to a fleet of seven trucks and 38 employees. SBA guaranteed financing helped to achieve that growth.

Initially, the company focused on truck repair for the construction industry but in the aftermath of September 11th construction slowed, business declined and revenues dropped for RO Bus Sales. The partners responded by moving to a smaller location, reducing staff and overhead.

Then they refocused their efforts, diversifying the company while staying true to their core business. Brian and Joe found that working on a bus is similar to truck repair and as they marketed to this new industry with its fleets of buses and limousines, their client base expanded.

In response to repeated requests from their new customer base, they became a full-line bus and limousine dealership and the company continued to grow. In 2008, with an SBA 504 loan, they purchased a building and yard to house further expansion with a new paint and fabrication shop.

When the economy turned again in 2009 and with new vehicle purchase declining, Brian and Joe found that companies were now looking to keep their existing fleets on the road. Operating budgets were intact while capital budgets were nonexistent, so RO refocused on long term maintenance, service and repair. As they realized they were the only company in Nevada specializing in buses, they shifted the business exclusively to buses and limousines, adding municipality and government agency fleets.

The company has grown from a two man operation to three distinct divisions with a large team of full time employees, 11 million in revenue and a service area that now includes Reno, Lake Tahoe and Arizona. From humble beginnings, RO Bus Sales now provides a full menu of services for buses and limousines, from purchase and rental to design and fabrication and mobile repair – carrying and protecting friends and families - the most precious cargo.

COUNSELING

Getting Help to Start, Market and Manage Your Business

COUNSELING



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

Whether your target market is global or just your neighborhood, the SBA and its resource partners can help at every stage of turning your entrepreneurial dream into a thriving business.

If you're just starting out, the SBA and its resources can help you with business and financing plans. If you're already in business, you can use the SBA's resources to help manage and expand your business, obtain government contracts, recover from disaster, find foreign markets, and make your voice heard in the federal government.

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

SBA'S RESOURCE PARTNERS

In addition to our district offices, which serve every state and territory, the SBA works with a variety of local resource partners to meet your small business needs: SCORE chapters, Small Business Development Centers (SBDCs), and Women's Business Centers (WBCs). This partner network reaches into communities across America: More than 13,000 business counselors, mentors and trainers available through over 900 Small Business Development Centers, 110 Women's Business Centers and 350 SCORE chapters. These professionals can help with writing a formal business plan, locating sources of financial

assistance, managing and expanding your business, finding opportunities to sell your goods or services to the government, and recovering from disaster. To find your local district office or SBA resource partner, visit www.sba.gov/tools/local-assistance.

SCORE

SCORE is a national network of more than 13,000 entrepreneurs, business leaders and executives who volunteer as mentors to America's small businesses. SCORE leverages decades of experience from seasoned business professionals to help entrepreneurs to start and grow companies and to create jobs in local communities. SCORE does this by harnessing the passion and knowledge of individuals who have owned and managed their own businesses and want to share this "real world" expertise with you.

Found in more than 350 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 are in need of a seasoned business professional as a sounding board for their existing business. As members of your community, SCORE mentors understand local business licensing rules, economic conditions and important business networks. SCORE can help you as they have done for 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 more than 10,000 local business training workshops and seminars ranging in topic and scope depending on the needs of the local business community. SCORE workshops cover all manner of business topics, including: an introduction to the fundamentals of a business plan, managing cash flow and marketing your business. For established businesses, SCORE offers more in-depth training in areas like customer service, hiring practices and home-based businesses.

For around-the-clock business advice and information on the latest business news and trends, or to find the SCORE office nearest you, go to www.score.org. More than 1,200 online mentors with over 150 business skill sets answer your questions about starting and running a business. In fiscal year 2012, SCORE mentors served 460,000 entrepreneurs.

For more information on SCORE in Nevada and to get your own business mentor, contact the Northern Nevada or Southern Nevada SCORE office.

Southern Nevada SCORE Chapter #243

Phone: 702-388-6104 (all locations)
to request a face-to-face appointment with a mentor.
Las Vegas Downtown
Las Vegas UNLV
North Las Vegas
Henderson Business Cntr.
Henderson
Multigenerational Cntr.
info@scorelv.org
Local Website: www.scorelv.org
National Website: www.score.org

Northern Nevada SCORE Chapter #415

University of Nevada Reno
College of Business Administration
Ansari Business Bldg., Rm. 411
Reno, NV 89557
775-784-4436
info@score-reno.org
Local Website: www.score-reno.org

THE NEVADA SMALL BUSINESS DEVELOPMENT CENTERS (NEVADA SBDC)

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

businesses and fulfilling its mission of creating jobs.

The Nevada Small Business Development Centers, vital to SBA's entrepreneurial outreach, have 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 over 900 locations across the country, Nevada SBDC offers existing and future entrepreneurs free one-on-one expert business advice and low-cost training by qualified small business professionals.

In addition to its core services, the Nevada SBDC 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 combination of federal, state and private sector resources to provide, in every state and territory, the foundation for the economic growth of small businesses. The return on investment is demonstrated by the program's success during FY2013.

- Assisted more than 14,200 entrepreneurs to start new businesses – equating to nearly 39 new business starts per day.
- Provided counseling services to more than 104,000 emerging entrepreneurs and over 96,000 existing businesses.
- Provided training services to approximately 330,000 clients.

The efficacy of the Nevada 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 Nevada SBDC counselor was worthwhile. The top five impacts of counseling cited by Nevada SBDC clients were revising marketing strategy, increasing sales, expanding products and services, improving cash flow and increasing profit margin. More than 40 percent of long-term clients receiving five hours or more of counseling reported an increase in sales and profit margins.

For information on the Nevada SBDC program, visit www.nevadasbdc.org. Nevada SBDC has services, available Monday through Friday and counseling by appointment.

Nevada SBDC has counseling available by appointment in locations throughout Nevada. Call **800-240-7094** or visit www.nsbdc.org.

WOMEN'S BUSINESS CENTERS

The SBA's Women Business Center (WBC) program is a network of over 100 community-based centers that provide business training, counseling, coaching, mentoring and other assistance geared toward women, particularly those who are socially and economically disadvantaged. WBCs are located in nearly every state and U.S. territory including the District of Columbia and the territories of Puerto Rico and American Samoa. They are partially funded through a cooperative agreement with the SBA.

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

WBCs often deliver their services through long-term training or group counseling, both of which have shown to be effective. WBC training courses are

Let **SCORE** Help You
for the Life of Your Business

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Free and Confidential Mentoring

Local Workshops

Online Expert Resources

*SCORE has two chapters
in Nevada to assist
small business owners
and entrepreneurs.*

*Contact the chapter
nearest you today*



SCORE Las Vegas
www.scorelv.org
702-388-6104



SCORE Northern Nevada
www.score-reno.org
775-784-4436

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FOR THE LIFE OF YOUR BUSINESS

often free or are offered for a small fee. Some centers will also offer scholarships based on the client's needs.

While most WBCs are physically located in one designated location, a number of WBCs also provide courses and counseling via the Internet, mobile classrooms and satellite locations. WBCs have a track record of success. In fiscal year 2012, the WBC program counseled and trained over 136,000 clients, creating local economic growth and vitality. In addition, WBCs helped entrepreneurs access more than \$40 million dollars in capital. Based on a 2010 Impact Study, of the WBC clients that have received three or more hours of counseling, 15 percent indicated that the services led to hiring new staff, 34 percent indicated that the services led to 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.

Nevada Women's Business Center (Clark County Only)

Nevada Microenterprise Initiative
112 Water St., Ste. 121
Henderson, NV 89015
702-734-3555
www.4microbiz.org

For more information on the program, visit www.sba.gov/wosb.

To find the nearest SBA WBC, visit www.sba.gov/women.

VETERANS BUSINESS OUTREACH CENTERS

The Veterans Business Outreach Program (VBOP) is designed to provide entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business. The SBA has 15 organizations participating in this cooperative agreement and serving as Veterans Business Outreach Centers (VBOC) across the country. Services provided by VBOC's include: pre-business plan workshops, concept assessments, business plan preparations, comprehensive feasibility analysis, entrepreneurial training and counseling, mentorship, and other business-development related services.

VBOCs also provide assistance and training in such areas as international trade, franchising, Internet marketing, accounting, etc. For a VBOC directory, please visit www.sba.gov/vets.

For more information about small business lending programs for veteran business owners and Disaster Economic Injury Loans for Reserve or Guard members who are activated, contact the Veterans Business Outreach Center.

VBOC

916-527-8400 (Sacramento Office)
admin@vbocix.org
www.vbocix.org

EMERGING LEADERS INITIATIVE

The SBA's Emerging Leaders Initiative is currently hosted in 27 markets across the country using a nationally demonstrated curriculum that supports the growth and development of small 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, economic impact results from responding executives from the 2010 – 2012 cohorts indicate:

- Significant revenue growth; 62% respondents reported an increase in annual revenue
- Creation of 252 new full time positions
- 40% of the participants secured federal, state, local and tribal contracts with a cumulative total of nearly \$300 million
- Securing over \$20M in new financing (loans, lines of credit, etc.)

To find out more about this executive-level training opportunity, please visit www.sba.gov/emergingleaders for host cities, training schedules and selection criteria.

SBA'S ONLINE TOOLS AND TRAINING

SBA's Online Learning Center is a virtual campus complete with free online courses, workshops, podcasts, learning tools and business-readiness assessments.

Key Features of the SBA's Online Learning Center:

Training is available anytime and anywhere — all you need is a computer (or mobile device) with Internet access.

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

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

SBA'S CLUSTER INITIATIVE

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

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

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

REACHING UNDERSERVED COMMUNITIES

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

WOMEN BUSINESS OWNERS

Women entrepreneurs are changing the face of America's economy. In the 1970s, women owned less than 5 percent of the nation's businesses.

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

The SBA's Office of Women's Business Ownership (OWBO) serves as an advocate for women-owned businesses. The office oversees a nationwide network over 100 Women's Business Centers that provide business training, counseling and mentoring

geared specifically to women, especially those who are socially and economically disadvantaged. The program is a public-private partnership with locally-based nonprofits.

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

Contact your local Women's Business Center at the following Nevada Microenterprise Initiative (NMI) office:
Clark County only: 702-734-3555

VETERAN BUSINESS OWNERS

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

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



WHY JUST BANK WHEN YOU CAN BELONG.

PROUD TO OFFER MEMBER Business Loans.

As your local business lender we can offer the advantage of longer terms, lower down payments and extremely competitive rates.

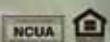
Loans are available for a wide range of purposes including:

- 504 & SBA 7(a) Business Loans
- Business Real Estate Loans
- Working Capital
- Inventory
- Furniture & Fixtures
- Machinery & Equipment
- Business Acquisitions
- Debt Refinances



Nina Hallock
Business Services Representative

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REACHING UNDERSERVED COMMUNITIES

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 point-of-contact assist veteran small business owners/entrepreneurs with starting, managing and growing successful small firms. In Clark County contact Bob Holguin at 702-388-6015 or robert.holguin@sba.gov. Outside Clark County contact David Leonard, 775-827-4923 or david.leonard@sba.gov.

Yearly, OVBD reaches thousands of veterans, Reserve component members, transitioning service members and others who are – or who want to become – entrepreneurs and small business owners. In fiscal year 2012, the number of veterans assisted through OVBD programs exceeded 135,000. For more information about OVBD, please visit www.sba.gov/vets.

NATIONAL BOOTS TO BUSINESS INITIATIVE

The aptly named Operation Boots to Business program (B2B) builds on SBA's role as a national leader in entrepreneurship training. B2B aims to provide exposure to entrepreneurship to the 250,000 service members who transition from the military each year. The B2B two-day Entrepreneurship Training is an optional track in the Department of State's revitalized Transition Goals, Plans and Success (GPS) program -- formerly called

Transition Assistance Program/TAP -- and is conducted on military installations. Through B2B, SBA's extensive network of resource partners will collaboratively deliver face-to-face introductory entrepreneurship training, developed in collaboration with Syracuse University's Institute for Veterans and Military Families (IVMF). For those service members who complete the two-day B2B class and are interested in more detailed and intensive training, SBA offers a continuation of B2B via an 8-week online business plan training course. The 8-week online curriculum was also developed in collaboration with and is delivered by IVMF. Of course, counselors and mentors from SBA's resource partner network remain available to work with service members throughout B2B and thereafter as these service members start and grow their businesses.

B2B piloted at several military installations in 2012 and is currently being implemented nationwide during 2013. For more information about B2B, please visit www.sba.gov/bootstobusiness.

CENTER FOR FAITH-BASED AND NEIGHBORHOOD PARTNERSHIPS

Faith-Based and Neighborhood organizations know their communities, and they have earned the trust of the communities they serve. As a result, 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 to enlist their support in informing their congregants, members and neighbors about SBA's programs. In particular, 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 access 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"), initiatives that include a Native American Entrepreneurial Empowerment Workshop and Native American Emerging Leaders (formerly e200). ONAA also is responsible for consulting with tribal governments prior to finalizing SBA policies that may have tribal implications.

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

In Clark County contact Bob Holguin at 702-388-6015 or outside Clark County please contact David Leonard, 775-827-4923 or david.leonard@sba.gov.

NCET: Business. Technology. Events.

NCET produces business and technology events to help Nevada's small businesses and entrepreneurs.

NCET's programs include the NCET Expo, the NCET Tech Awards, eMonth, and the monthly Tech Wednesday, Tech Bite and Jelly events. (Please visit www.NCET.org for more details on each of these programs.)

For more information on NCET, contact Dave Archer at 775-453-0130, e-mail info@NCET.org or visit www.NCET.org.



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

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

IS ENTREPRENEURSHIP FOR YOU?

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

- **Are you a self-starter?** It will be entirely up to you to develop projects, organize your time, and follow through on details.
- **How well do you get along with different personalities?** Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, employees and professionals such as lawyers, accountants, or consultants. Can you deal with a demanding client, an unreliable vendor, or a cranky receptionist if your business interests demand it?
- **How good are you at making decisions?** Small business owners are required to make decisions constantly — often quickly, independently, and under pressure.
- **Do you have the physical and emotional stamina to run a business?** Business ownership can be exciting, but it's also a lot of work. Can you face six or seven 12-hour workdays every week?
- **How well do you plan and organize?** Research indicates that poor planning is responsible for most business failures. Good organization — of financials, inventory, schedules, and production — can help you avoid many pitfalls.
- **Is your drive strong enough?** Running a business can wear you down emotionally. Some business owners burn out quickly from having to carry all the responsibility for the success of their business on their own shoulders. Strong motivation will help you survive slowdowns and periods of burnout.
- **How will the business affect your family?** The first few years of business start-up can be hard on family life. It's important for family members to know what to expect and for you to be able to trust that they will support you during this time. There also may be financial difficulties until the business becomes

profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk.

Once you've answered these questions, you should consider what type of business you want to start. Businesses can include franchises, at-home businesses, online businesses, brick-and-mortar stores or any combination of those.

FRANCHISING

There are more than 3,000 business franchises. The challenge is to decide on one that both interests you and is a good investment. Many franchising experts suggest that you comparison shop by looking at multiple franchise opportunities before deciding on the one that's right for you.

Some of the things you should look at when evaluating a franchise: historical profitability, effective financial management and other controls, a good image, integrity and commitment, and a successful industry.

In the simplest form of franchising, while you own the business, its operation is governed by the terms of the franchise agreement. For many, this is the chief benefit for franchising. You are able to capitalize on a business format, trade name, trademark and/or support system provided by the franchisor. But you operate as an independent contractor with the ability to make a profit or sustain a loss commensurate with your ownership.

If you are concerned about starting an independent business venture, then franchising may be an option for you. Remember that hard work, dedication and sacrifice are key elements in the success of any business venture, including a franchise.

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

HOME-BASED BUSINESSES

Going to work used to mean traveling from home to a plant, store or office. Today, many people do some or all their work at home.

Getting Started

Before diving headfirst into a home-based business, you must know why you are doing it. To succeed, your business must be based on something greater than a desire to be your own boss. You must plan and make improvements and adjustments along the road.

Working under the same roof where your family lives may not prove to be as easy as it seems. One suggestion is to set up a separate office in your home to create a professional environment.

Ask yourself these questions:

- Can I switch from home responsibilities to business work easily?
- Do I have the self-discipline to maintain schedules while at home?
- Can I deal with the isolation of working from home?

Legal Requirements

A home-based business is subject to many of the same laws and regulations affecting other businesses.

Some general areas include:

- **Zoning regulations.** If your business operates in violation of them, you could be fined or shut down.
- **Product restrictions.** Certain products cannot be produced in the home. Most states outlaw home production of fireworks, drugs, poisons, explosives, sanitary or medical products and toys. Some states also prohibit home-based businesses from making food, drink or clothing.

Be sure to consult an attorney and your local and state departments of labor and health to find out which laws and regulations will affect your business. Additionally, check on registration and accounting requirements needed to open your home-based business. You may need a work certificate or license from the state. Your business name may need to be registered with the state. A separate business telephone and bank account are good business practices.

Also remember, if you have employees you are responsible for withholding income and Social-Security taxes, and for complying with minimum wage and employee health and safety laws.

If you're convinced that opening a home-based business is for you, it's time to create your business plan. The SBA and its resource partners, such as SCORE, SBDCs, VBOCs and WBCs can help make the process easier. If you are starting or expanding a home based business, contact:

Southern Nevada SCORE Chapter #243

Phone: 702-388-6104 (all locations)
to request a face-to-face appointment with a mentor.

Las Vegas Downtown, Las Vegas UNLV
North Las Vegas, Henderson Business Cntr.
Henderson, Multigenerational Cntr.

Email: info@scorelv.org
Local Website: www.scorelv.org
National Website: www.score.org

Northern Nevada SCORE Chapter #415

University of Nevada Reno
College of Business Administration
Ansari Business Bldg., Rm. 411
Reno, NV 89557
775-784-4436

Email: info@score-reno.org
Local Website: www.score-reno.org

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

Creating a comprehensive business plan can be a long process, and you need good advice. The SBA and its resource partners, including Small Business Development Centers, Women's Business Centers, Veterans Business Outreach Centers, and SCORE, have the expertise to help you craft a winning business plan. The SBA also offers online templates to get you started.

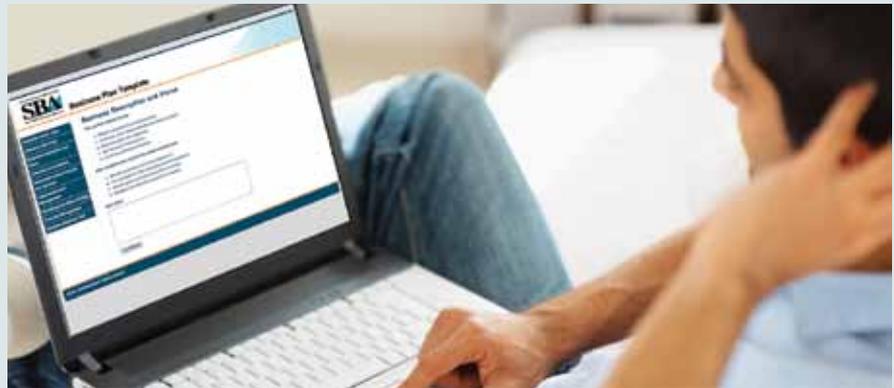
In general, a good business plan contains:

Introduction

- Give a detailed description of the business and its goals.
- Discuss ownership of the business and its legal structure.
- List the skills and experience you bring to the business.
- Discuss the advantages you and your business have over competitors.

Marketing

- Discuss the products and services your company will offer.
- Identify customer demand for your products and services.



- Identify your market, its size and locations.
- Explain how your products and services will be advertised and marketed.
- Explain your pricing strategy.

Financial Management

- Develop an expected return on investment and monthly cash flow for the first year.
- Provide projected income statements and balance sheets for a two-year period.
- Discuss your break-even point.
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting records and how they will be kept.
- Provide "what if" statements addressing alternative approaches to potential problems.

Operations

- Explain how the business will be managed day-to-day.
- Discuss hiring and personnel procedures.

- Discuss insurance, lease or rent agreements.
- Account for the equipment necessary to produce your goods or services.
- Account for production and delivery of products and services.

Concluding Statement

Summarize your business goals and objectives and express your commitment to the success of your business. Once you have completed your business plan, review it with a friend or business associate and professional business counselor like SCORE, WBC or SBDC representatives, SBA district office economic development specialists or veterans' business development specialists.

Remember, the business plan is a flexible document that should change as your business grows.

Northern Nevada SBA Outreach

The needs of Nevada small business borrowers and bankers are much greater than can be managed from the SBA district office in Las Vegas. In an effort to be more responsive to the needs of the small business community in a state as geographically large and economically diverse as Nevada, the Nevada District Office has provided agency staffing in northern Nevada. David Leonard and Judith Hepburn operate from the Reno, NV SBA Branch. They can be reached at:

U.S. Small Business Administration

300 Booth St., Ste. 3065
 Reno, NV 89509
 775-827-4923
 david.leonard@sba.gov
 judith.hepburn@sba.gov



CAPITAL

Financing Options to Start or Grow Your Business



Many entrepreneurs need financial resources to start or expand a small business and must combine what they have with other sources of financing. These sources can include family and friends, venture-capital financing, and business loans.

This section of the Small Business Resource guide discusses SBA's primary business loan and equity financing programs. These are: the 7(a) Loan Program, the Certified Development Company or 504 Loan Program, the Microloan Program and the Small Business Investment Company Program. The distinguishing features for these programs are the total dollar amounts that can be borrowed, the type of lenders who can provide these loans, the uses for the loan proceeds, and the terms placed on the borrower. The SBA does not 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. The SBA has a variety of loan programs which are distinguished by their different uses of the loan proceeds, their dollar amounts, and the requirements placed on the actual lenders. The three principal

players in most of these programs are the applicant small business, the lender and the SBA. The agency does not actually provide the loan, rather they guaranty a portion of the loan provided by a lender (except for microloans). The lender can be a regulated bank or credit union, or a community based lending organization.

The business 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, planned uses for the 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 so they can re-lend to businesses with financing needs up to \$50,000. The SBA's business loan guaranty programs provide a key source of financing for viable small businesses that have real potential but cannot qualify for credit on reasonable terms by themselves.

7(a) LOAN PROGRAM

The 7(a) Loan program is the SBA's primary business loan program. It is the agency's most frequently used non-disaster financial assistance program because of its flexibility in loan structure, variety of uses for the loan proceeds and availability. The program has broad eligibility requirements and credit criteria to accommodate a wide range of financing needs.

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

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

To qualify for an SBA 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 without an SBA guaranty. If the SBA is going to provide a lender with a guaranty, the applicant must be eligible and creditworthy and the loan structured under conditions acceptable to the SBA.

Percentage of Guaranty and Loan Maximums

The SBA only guarantees a portion of any particular 7(a) loan so each loan will also have an unguaranteed portion, giving the lender a certain amount of exposure and risk on each loan. The percentage 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 generally guarantees as much as 85 percent and for loans over \$150,000 the SBA generally provides

a guaranty of up to 75 percent. Loans made under the SBAExpress program, which is discussed later in this section, have a 50 percent guaranty.

The maximum 7(a) loan amount is \$5 million and there is no minimum.

Interest Rates and Fees

The actual interest rate for a 7(a) loan guaranteed by the SBA is negotiated between the applicant and lender and is subject to the SBA maximums.

Both fixed and variable interest rate structures are available. The maximum rate comprises two parts, a base rate and an allowable spread. There are three acceptable base rates (Wall Street Journal Prime*, London Interbank One Month Prime plus 3 percent, and an SBA Peg Rate). Lenders are allowed to add an additional spread to the base rate to arrive at the final rate. For loans with maturities of less than seven years, the maximum spread will be no

more than 2.25 percent. For loans with maturities of seven years or more, the maximum spread will be 2.75 percent. The spread on loans under \$50,000 and loans processed through Express procedures have higher maximums.

Loans guaranteed by the SBA are assessed a guaranty fee. This fee is based on the loan's maturity and the dollar amount guaranteed, not the total loan amount. The guaranty fee is initially paid by the lender and then

What to Take to the Lender

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

Common requirements include the following:

- 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

Small Business 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 the application for eligibility. The applicant should be prepared to complete some additional documents before the lender sends their 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 experience the lender has in requesting guarantees from SBA, the documentation the lender provides to SBA, the amount of review the SBA conducts upon receiving the request, the amount of the loan and the lender responsibilities in case the loan defaults and the business' assets must be liquidated. The different methods are:

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

When lenders request guarantees using Standard, Certified, or Preferred processing methods, the applicant fills out SBA Form 1919, and the lender completes SBA Form 1920. The Form 1919 requires the applicant to fully explain what they intend to do with the money and explain how they will repay the loan. The Form 1920 requires the lender to explain their analysis of the eligibility and credit merits of the request. When lenders use Express or Advantage procedures to request guarantees, the loan amounts are smaller and the information the applicant has to provide SBA is reduced, but the lender can still ask the applicant for as much detail as they believe is necessary for them to make their decision. Through Express and Advantage procedures the lender also provides SBA with less information about their credit analysis but the lender still has to conduct their due diligence.

When the SBA receives a request for guaranty using Standard or Certified procedures, it either reanalyzes or reviews the lender's eligibility and credit analysis before deciding to approve or reject the request. 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. Requests processed through Advantage procedures are a hybrid of both.

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

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

What the SBA Looks for:

- Ability to repay the loan on time from the projected operating cash flow;
- Owners and operators who are of good character;
- Feasible business plan;
- Management expertise and commitment necessary for success;
- Sufficient funds, including 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.

passed on to the borrower at closing. The funds to reimburse the lender can be included in the overall loan proceeds.

On any loan with a maturity of one year or less, the fee is just 0.25 percent of the guaranteed portion of the loan. On loans with maturities of more than one year, the normal guaranty fee is 2 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.*

***For all SBA-guaranteed loans of \$150,000 or less that are approved between October 1, 2013 and September 30, 2014, the guaranty fee will be 0%.*

7(a) Loan Maturities

The SBA's loan programs are generally intended to encourage longer term small-business financing, but actual loan maturities are based on the

ability to repay, the purpose of the loan proceeds and the useful life of the assets financed. However, maximum loan maturities have been established: 25 years for real estate; up to 10 years for equipment (depending on the useful life of the equipment); and generally up to seven years for working capital. 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) term loans are repaid with monthly payments of principal and interest. For fixed-rate loans the payments stay the same because the interest rate is constant, whereas for variable rate loans the lender can require a different payment amount when the interest rates change applicants can request that the lender establish the loan with interest-only payments during the start-up and expansion phases (when eligible) to allow the business time to generate income before it starts making full loan payments. Balloon payments or

call provisions are not allowed on any 7(a) 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.



Ryan Riggan
Vice President
Commercial Loan Officer

#1 SBA Lender in Northern Nevada 2011, 2012 and 2013.

Small businesses are big to Heritage Bank. We're experts in small business lending and SBA loan programs. If you'd like to experience banking done the right way, give us a call or come on by anytime. Free coffee and the best bankers in town.



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Small Business Loans and Lines of Credit
SBA 7(a) and 504 business loans
Government Guaranteed Loans

RENO

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1000 W. 7th St. - 775-348-1007

47 Damonte - Ranch Pkwy - 775-852-2755

CARSON CITY

4222 S. Carson St. - 775-881-1111

SPANISH SPRINGS

330 Los Altos - 775-626-9050

GARDNERVILLE

1299 Hwy 395 N. - 775-783-0473

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.

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

The SBA also cannot make loan guaranties to non-profit businesses, private clubs that limit membership on a basis other than capacity, businesses that promote a religion, businesses owned by individuals incarcerated or on probation or parole, municipalities, and situations where the business or its owners previously failed to repay a federal loan or federally assisted financing.

Use of Proceeds

The third eligibility factor is use of proceeds. 7(a) proceeds can be used to purchase machinery, equipment, fixtures, supplies, make improvements

to land and/or buildings that will be occupied by the subject applicant business.

Proceeds can also be used to:

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

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

Miscellaneous Factors

The fourth factor involves a variety of requirements such as SBA’s credit elsewhere test 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.

SPECIAL PURPOSE 7(a) LOAN PROGRAMS

The 7(a) program is the most flexible of the SBA’s lending programs. Over time, the agency has developed several variations to the basic 7(a) program in order to address specific financing needs for particular types of small businesses. The general distinguishing feature between these loan types is their use

of proceeds. These programs allow the proceeds to be used in ways that are not otherwise permitted in a basic 7(a) loan. These special purpose programs are not necessarily for all businesses but may be very useful to some small businesses. They are generally governed by the same rules, regulations, fees, interest rates, etc., as the basic 7(a) loan. Lenders can advise you of any variations. The Special Purpose Loans include:

International Trade Loan Program

The SBA’s International Trade Loan (ITL) is designed to help small businesses enter and expand into international markets 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.

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 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.

Guaranty Coverage

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

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.

Use of Proceeds

- To pay for the manufacturing costs of goods for export.
- To purchase goods or services for export.

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SBA Women's Business Center
T: 702-734-3555 F: 702-734-3530

VEDC
City of Reno
T: 775-785-5820 F: 775-360-4981

- 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 insured 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.

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; maximum maturity is 3 years.

U.S. Export Assistance Center

While not a loan program, entrepreneurs interested in learning more about exporting their goods and services should be aware of SBA technical staff available at a U.S. Export Assistance Centers or USEAC. There are 19 USEACs 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 they 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 contact:

Martin Selander

Regional Manager,
International Trade Programs
U.S. Export Assistance Center
2302 Martin Court, Ste. 315
Irvine, CA 92612
949-660-8935
martin.selander@sba.gov

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

Other Guaranty Lines of Credit

All the Special Purpose Programs listed above have SBA structured repayment terms meaning the agency tells the lender how principal and interest is to be repaid. These programs also require the lender to use certain closing forms. Lenders with the ability to obtain 7(a) guarantees through any of the Express processes are considered experienced enough to be able to

structure their own repayment terms and use their own closing documents. With this ability the lender can tailor a line of credit that it gets guaranteed by SBA to the needs of the business. Therefore, if a potential applicant sees that the previously listed Basic 7(a) or Special Purpose 7(a) Programs don't meet their needs they should discuss their options with a lender capable of providing an SBAExpress loan with an SBA guaranty.

7(a) LOAN PROCESSES FOR LENDERS

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

Standard 7(a) Loan Processing

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

Standard processing means a lender makes their request for guaranty using SBA Form 4-I and the applicant completes SBA Form 4, even if the applicant previously completed the lender's required application forms.

The analysis of eligibility starts with a review of the "Eligibility Questionnaire," completed by the lender. The analysis of credit starts with a review of the SBA Form 4-I and the lender's credit memo which must discuss at least six elements:

1. Balance sheet and ratio analysis;
2. Analysis of repayment. It is not acceptable to base repayment ability solely on the applicant's credit score.
3. Assessment of the management skills of the applicant;
4. Explanation of the collateral used to secure the loan and the adequacy of the proposed collateral;
5. Lender's credit history with applicant including an explanation of any weaknesses;
6. Current financial statements and pro-forma financial spread. SBA pro-forma analysis reflects how the business will look immediately following disbursement, not one year after disbursement.

SBA also expects that the lender's credit memo includes the intended use of the loan proceeds and any historical and current issues that require explanation. SBA also expects a discussion of the process by which the applicant business generates its income

when it is not immediately obvious. An explanation of how the business conducts its operation is expected.

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

SBAExpress

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



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Ann Santiago and
Cindy Santilena, CCIM
702.318.6515
tmcfinancing.com



and up to 25 years for real estate or equipment. Revolving lines of credit are allowed for a maximum of seven years.

Export Express

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

This loan is subject to the same loan processing, closing, servicing and liquidation requirements as well as the same maturity terms, interest rates and applicable fees as for other 7(a) loans (except as noted below).

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.

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.

Ineligible Use of Proceeds

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

Exporter Eligibility

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

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 Export Express lender. 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.

Guaranty Coverage

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

Community Advantage Loans

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

CERTIFIED DEVELOPMENT COMPANY LOAN PROGRAM (504 LOANS)

The 504 Loan program is an economic development program that supports American small business growth and helps communities through business expansion and job creation. The 504 loan program provides long-term, fixed-rate, subordinate mortgage financing for acquisition and/or renovation of capital assets including land, buildings and equipment. Some refinancing is also permitted. Most for-profit small businesses are eligible for this program. The types of businesses excluded from 7(a) loans (listed previously) are also excluded from the 504 loan program.

The SBA's 504 Certified Development Companies 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.

CDCs work with banks and other lenders to make loans in first position on reasonable terms, helping lenders retain growing customers and provide Community Reinvestment Act credit.

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

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

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

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

- Eligible project costs are limited to long-term, fixed assets such as land and building (occupied by the borrower) and substantial machinery and equipment.
- Most borrowers are required to make an injection (borrower contribution) of just 10 percent which allows the business to conserve valuable operating capital. A further injection of 5 percent is needed if the business is a start-up or new (less than two years old), and a further injection of 5 percent is also required if the primary collateral will be a single-purpose building (such as a hotel).
- Two-tiered project financing: A lender finances approximately 50 percent of the project cost and receives a first lien on the project assets (but no SBA guaranty); A CDC (backed by a 100 percent SBA-guaranteed debenture) finances up to 40 percent of the project costs secured with a junior lien. The borrower provides the balance of the project costs.

- Fixed interest rate on SBA loan. The SBA guarantees the debenture 100 percent. Debentures are sold in pools monthly to private investors. This low, fixed rate is then passed on to the borrower and establishes the basis for the loan rate.
- All project-related costs can be financed, including acquisition (land and building, land and construction of building, renovations, machinery and equipment) and soft costs, such as title insurance and appraisals. Some closing costs may be financed.
- Collateral is typically a subordinate lien on the assets financed; allows other assets to be free of liens and available to secure other needed financing.
- Long-term real estate loans are up to 20-year term, heavy equipment 10- or 20-year term and are self-amortizing.

Businesses that receive 504 loans are:

- Small — net worth under \$15 million, net profit after taxes under \$5 million, or meet other SBA size standards.
- Organized for-profit.
- Most types of business — retail, service, wholesale or manufacturing.

For information, visit

www.sba.gov/504.

Nevada Certified Development Companies

Mountain West Small Business Finance

3281 N. Decatur Blvd.
Las Vegas, NV 89130
Contact: Rich Trang 702-682-6600
Counties served: Clark, Elko, Lincoln and White Pine.

Nevada State Development Corporation

1551 Desert Crossing Court
Las Vegas, NV 89144
Debra Alexandre, Southern Nevada
877-732-7101

In Northern Nevada
6572 S. Mcarran Blvd.
Reno, NV 89509
Contact: Adrien Burney, Northern Nevada
800-726-2494
Counties served: All counties in Nevada

New Ventures Capital Development Company

626 S. 9th St.
Las Vegas, NV 89101
Contact: Ernest Fountain
702-382-9522
Counties served: Clark, Elko, Lincoln and White Pine.

TMC Development

1635 Village Center Circle, Ste. 170
Las Vegas, NV 89134
Contact: Ann Santiago 702-318-6515
Cindy Santilena 702-318-6515
Counties served: Carson City, Clark, Douglas, Esmeralda, Lyon, Mineral, Nye, Storey and Washoe.

MICROLOAN PROGRAM (LOANS UP TO \$50,000)

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

The program also provides business-based training and technical assistance to micro-borrowers and potential micro-borrowers to help them successfully start or grow their businesses. Such training and technical assistance may include general business education, assistance with business planning industry-specific training, and other types of training support.

Currently there are no active SBA microlenders in Nevada, however several alternative and/or USDA lenders offer programs in Nevada.

Alternative Lenders

Celtic Bank

Loan applications available on website.
www.celticbank.com/express

CPLC

Microloans & business loans up from \$5,000 to \$250,000 statewide.
Complete loan inquiry on website before contacting.
702-207-1614
<http://www.prestamosloanfund.org>

RNDC

Microloans & business loans up to \$250,000 in rural Nevada.
Contact: Mary Kerner
775-289-8519
<http://www.rndenv.org/lending>

RCAC

Business loans; minimum \$50,000 in rural Nevada.
Contact: Cyndy Elliott
209-576-0430
<http://www.rcac.org>

Superior Financial

Unsecured loans from \$5,000 to \$25,000
Prequalification available by phone or fax from website.
<http://strategiesforsmallbusiness.com>

VEDC

Microloans & business loans up to \$250,000 statewide. Complete business assessment on website before contacting.
In Clark County contact: Leanna Jenkins
702-734-3555
www.4microbiz.org
In Washoe County contact: Chris Fream
775-221-1766

WNDD

Loans \$500 to \$5,000 in Churchill, Douglas, Humboldt, Lyon, Mineral, Pershing, Storey and in rural Washoe county.
Contact: Shinria Islam
775-883-7333 ext. 108
<http://wndd.org>

There are lending programs specifically for Nye County, call 775-751-7091 and for Mesquite, call 702-345-3075.

OTHER LOAN PROGRAMS

USDA - Business and Industry Guaranteed Loans

The Business and Industry (B&I) Guaranteed Loan Program of the U.S. Department of Agriculture (USDA) helps create jobs and stimulates rural economies by providing financial backing for rural businesses. This program provides guarantees up to 80 percent of a loan made by a commercial lender. Loan proceeds may be used for working capital, machinery and equipment, buildings and real estate, and certain types of debt refinancing.

The primary purpose is to create and maintain employment and improve the economic climate in rural communities. This is achieved by expanding the lending capability of private lenders in rural areas, helping them make and service quality loans that provide lasting community benefits. This program represents a true private-public partnership.

B&I loan guarantees can be extended to loans made by recognized commercial lenders or other authorized lenders in rural areas (this includes all areas other than cities or unincorporated areas of more than 50,000 people and their immediately adjacent urban or urbanizing areas).

Assistance under the B&I Guaranteed Loan Program is available to virtually any legally organized entity, including a cooperative, corporation, partnership, trust or other profit or nonprofit entity, Indian tribe or Federally recognized tribal group, municipality, county, or other political subdivision of a State.

The maximum aggregate B&I Guaranteed Loan(s) amount that can be offered to any one borrower under this program is \$25 million.

Maximum loan terms are 30 years for real estate and related buildings. For machinery and equipment repayment will not exceed the useful life of the machinery or equipment purchased with loan funds or 15 years, whichever is less. For working capital repayment terms will not exceed seven years. Interest rates are negotiated between the lender and the business applicant and may be either fixed or variable.

More information on the USDA Business and Industry (B&I) guaranteed loan program can be obtained on their web site located at: www.rurdev.usda.gov/nv/index.htm or contact one of the following offices:

1390 S. Curry St.
Carson City, NV 89703
775-887-1222
or
7080 La Cienega St., Ste. 100
Las Vegas, NV 89119
702-407-1400 ext. 103

FSA (Farm Service Agency) Loan Programs

FSA's loan programs are designed to help family farmers who are unable to obtain credit elsewhere at reasonable rates and terms to meet actual needs, and who need loans to purchase or expand their farming operation. The goal of FSA's farm loan programs is to graduate its borrowers to commercial credit. Once a farmer is able to obtain credit from the commercial lending sector, the Agency's mission of providing temporary, supervised credit is complete.

The Farm Service Agency in Nevada is headquartered in Reno. There are seven county offices serving 2,829 farms across the State. The three offices that handle farm loans are located in Elko, Fallon, and Winnemucca.

The FSA has a variety of lending programs for farmers, including microloans up to \$35,000.

For more information:

www.fsa.usda.gov/nv

Reno Office

1365 Corporate Blvd., Ste. 200
Reno, NV 89502
775-784-5411

Churchill County Office

775-423-5124

Elko County Office

775-738-6445

Humboldt County Office

775-623-5025

State of Nevada Energy Loan Program

Nearly \$13 million was funded under the federal American Recovery and Reinvestment Act of 2009 to provide short-term, low-cost loans to developers of renewable energy projects, renewable component manufacturers, energy efficiency, and energy conservation projects in Nevada. These loans serve as a bridge financing option to provide funding for various startup costs associated with these projects.

For more information go to their website: http://energy.nv.gov/Programs/Revolving_Loans_for_Renewable_Energy/ or call: 775-687-1850 ext. 7309.

RNDC – Rural Development Loans

The Rural Nevada Development Corporation (RNDC) is a non-profit development corporation serving rural counties, rural Clark and Washoe counties, and the Native American tribes of Nevada.

RNDC lends to small businesses in need of expansion or start-up financing. Use of funds may be for expansion financing, fixed assets, purchases, working capital, and start-up businesses in all of rural Nevada (excluding Reno/Sparks, Carson City, Las Vegas and Henderson).

Financing Policies

- The minimum size of any loan is \$500 and the maximum is \$250,000.
- Fixed Rate Interest
- Longer Terms
- Flexibility in collateral requirements

RNDC Microloan Program

RNDC is one of the first in the nation to become a micro-lender under the USDA – Rural Development inaugural program. This program expands the number of borrowers RNDC can assist, and allows greater flexibility for collateral requirements. The minimum size of a microloan is \$500 and the maximum is \$50,000.

For more information about all RNDC lending, go to their website: www.rndcnv.org/lending.html or visit their offices located at:

Headquarters

1320 E. Aultman
Ely, NV 89301
775-289-8519
866-404-5204 Toll Free

Pahrump Office

1301 S. Hwy. 160
NSB Bldg., Second Fl.
Pahrump, NV 89041
775-751-1947

SURETY BOND GUARANTEE PROGRAM

The Surety Bond Guarantee Program is a public-private partnership between the federal government and surety companies to provide small businesses with the bonding assistance necessary for them to compete for public and private contracting and subcontracting opportunities. The guarantee provides an incentive for sureties to bond small businesses that would otherwise be unable to obtain bonding. The program is aimed at small businesses that lack the working capital or performance track record necessary to secure bonding on a reasonable basis through regular commercial channels.

Through this program, the SBA guarantees bid, payment, performance and ancillary bonds issued by surety companies for individual contracts and subcontracts up to \$6.5 million. The SBA reimburses sureties between 70 and 90 percent of losses sustained if a contractor defaults on the contract. On Federal contracts, SBA can guarantee bonds on contracts up to \$10 million, if the contracting officer certifies that a guarantee would be in the best interest of the Government.

SBA has two program components, the Prior Approval Program and the Preferred Surety Bond Program. In the Prior Approval Program, the SBA guarantees 90 percent of surety's paid losses and expenses on bonded contracts up to \$100,000, and on bonded contracts greater than \$100,000 that are awarded to socially and economically disadvantaged concerns, HUBZone contractors, and veterans, and service-disabled veteran-owned small businesses. All other bonds guaranteed in the Prior Approval Program receive an 80 percent guarantee. Sureties must obtain the SBA's prior approval for each bond guarantee issued. Under

the Preferred Program, the SBA guarantees 70 percent, and sureties may issue, monitor and service bonds without the SBA's prior approval. For more information about the surety bond program visit <http://www.sba.gov/surety-bonds-basics>

SMALL BUSINESS INVESTMENT COMPANY PROGRAM

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.

EQUITY CAPITAL

Battle Born Program

The U.S. Department of Treasury approved an allocation of funds to Nevada's Battle Born Growth Escalator Venture Program (Battle Born). This early-stage venture capital program is managed by the statewide Nevada Small Business Development Centers. Funds will be prioritized for companies with high-growth products with a proven track record in their industry. More information: www.battlebornventure.com.

Silver State Opportunities Fund

The Nevada Silver State Opportunities Fund (SSOF) manages \$50 million of capital dedicated to investing in compelling businesses located in Nevada, looking to expand in Nevada, or seeking to relocate to Nevada. On behalf of the Nevada Capital Investment Corporation (NCIC), SSOF seeks to generate greater returns for the state's Permanent School Fund and secondarily increase economic development and employment in

Nevada. SSOF is managed by Hamilton Lane, a leading global private equity asset management firm.

More information:

<http://www.sba.gov/content/sbic-directory>

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.
- Principal researcher must be employed by the small business.
- Company size cannot exceed 500 employees.

For assistance in Nevada, contact the SBIR-STTR Program Director at the Nevada Small Business Development Center, 1-800-240-7094.

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: Dept. of Agriculture; Dept. of Commerce; Dept. of Defense, Dept. of Education; Dept. of Energy; Dept. of Health and Human Services; Dept. of Homeland Security; Dept. of Transportation; Environmental Protection Agency; National Aeronautics and Space Administration; and the 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 businesses through the SBIR program: Dept. of Defense, Dept. of Energy; Dept. of Health and Human Services; National Aeronautics and Space Administration; and the National Science Foundation.

SBA ONLINE: WEB-BASED TOOLS FOR BUSINESS OWNERS

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

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

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

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

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

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

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

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

Now with the new SizeUp tool you can crunch millions of data points and get customizable reports and statistics about your business and its competition. Just enter your industry, city, state and other



details. **SizeUp** then runs various reports and provides maps and data related to your competition, suppliers and customers. It also highlights potential advertising opportunities.

2. Build a Business Plan Tool

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

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

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

In order to be eligible to sell to the government and compete for small business “set-aside” contracts, business owners had to rummage through various rules and matrices to find out if their business is truly “small” according to **SBA size standards**. Now, with this new **Size Standards Tool**, you can follow three simple steps to cut through the guesswork and quickly find out if you qualify for government contracting

opportunities. SBA also offers other resources including **government contracting training courses**, and **guides to help you register as a contractor**.

4. Events Calendar - Locate Business Training and Seminars

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



Use of Proceeds in SBA Loan Programs

Ways Borrowers Can Use The Money

(Information current as of 11/21/2013)

Program	Who Qualifies	Use of Proceeds	Maturity	Maximum Loan Amount	Structure	Benefit to Borrower
Basic 7(a)	For-profit businesses that can meet SBA's size standards, nature of business, use of proceeds, credit elsewhere, and other miscellaneous eligibility factors.	Acquire land; purchase existing building; convert, expand or renovate buildings; construct new buildings; acquire and install fixed assets; acquire inventory; purchase supplies and raw materials; purchase a business, start a business, leasehold improvements, term working capital; and under certain conditions to refinance certain outstanding debts.	Based on the use of proceeds and borrower's ability to repay. Not based on collateral. Maximum maturity: 10 years for working capital (seven years is common), 10 years for fixed assets, 25 years for real estate.	A basic 7(a) can be for as much as \$5 million. SBA's limit to any one business is \$3.75 million so a business can have multiple loans guaranteed by SBA but the 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.
International Trade Loan (ITL)	Same as basic 7(a). Plus, business must be engaged or preparing to engage in exporting or be adversely affected by competition from imports.	Acquire, renovate, modernize facilities or equipment used in making products or services to be exported. Plus, for permanent working capital and to refinance business debts currently on unreasonable terms.	Same as basic 7(a).	Same as basic 7(a), but when borrower has both international trade and working capital loans, guaranteed by the SBA, the limit to any one business 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.
Export Working Capital Loans (EWCP)	Same as basic 7(a). Plus, must be in business one year and engaged or preparing to engage in exporting.	Short-term working capital 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.
Seasonal CAPLines	Same as basic 7(a). Plus, in business for at least one year and can demonstrate seasonal financing needs.	To finance the seasonal increases of accounts receivable, inventory and labor.	10 years	Same as basic 7(a).	Short-term financing for seasonal activities to be repaid at the end of the season when payment for the seasonal activity is made to business.	Provides opportunity for seasonal businesses to get seasonal financing not otherwise available.
Contract CAPLines	Same as basic 7(a). Plus, will perform on contract or purchase order for some third party buyer.	To finance the cost of one or more specific contract, sub-contract, or purchase order, including overhead or general and administrative expenses, allocable to the specific contract(s).	10 years	Same as basic 7(a).	Short-term financing for performance of approved contract, sub-contract, or purchase order to be repaid when payment for the activity is made to business. Can be revolving or not.	Provides opportunity for contractors and sub-contractors to get financing not otherwise available.

Program	Who Qualifies	Use of Proceeds	Maturity	Maximum Loan Amount	Structure	Benefit to Borrower
Builders CAPLines	Same as basic 7(a). Plus, building/renovating residential or commercial structure for re-sale without knowing buyer at time of approval.	For the direct expenses related to the construction and/or "substantial" renovation costs of specific residential or commercial buildings for resale, including labor, supplies, materials, equipment rental, direct fees. The cost of land is potentially eligible.	Maximum of three years to disburse and build or renovate. Extension possible to accommodate sale.	Same as basic 7(a).	Short-term financing to build or renovate home or building for sale to unknown third party. "Substantial" means rehabilitation expenses of more than one-third of the purchase price or fair market value at the time of application. Can be revolving or not.	Provides opportunity for residential and commercial builders to get financing not otherwise available.
Working Capital CAPLines	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.
Lender Structured Line of Credit	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.
Non-7(a) Programs						
504 Loan Program	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; 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.	The SBA can support a maximum of \$5,000,000 to any 1 business (including affiliates) and this amount can represent up to 40 % of the overall financing. SBA can support up to \$5,500,000 when the borrower is a manufacturer or financing accomplishes certain energy public policy and again this amount can represent up to 40 percent of the overall financing	Loans packaged by Certified Development Companies (CDC) and designed to finance up to 40 percent of a "project" ¹ secured with a 2nd position lien. Another loan from a third party lender financing up to 50 percent of the same project secured in 1st position, and borrower contribution of at least 10 percent. Extra contributions for special purpose properties and new businesses.	Fees under 3 percent, long-term fixed rate, low borrower contribution, full amortization with no call or balloon conditions.
Microloan Program	Similar to basic 7(a). Plus, start-up nonprofit child-care businesses.	Similar to 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.

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

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

Lender's Program Chart

Ways Lenders Can Request Guarantees

(Information current as of 12/05/2013)

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
Standard Processing	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.
Certified Lender Program (CLP) Processing	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).
Preferred Lender Program (PLP) Processing	Same as Standard 7(a). Plus, an executed PLP agreement.	Same as Standard processing except restrictions on loans involving some types of debt refinancing.	Same as Standard 7(a).	Lender completes Eligibility Checklist (SBA Form 7).	Delegated to lender.	Maximum loan \$5 million. Guaranty percentage same as Standard 7(a).
SBA Express Processing	Same as Standard 7(a). Plus, an executed SBA Express agreement.	Basic 7(a) with restrictions on some types of debt refinancing. Plus, lender structured term and revolving loans.	If \$50,000 or less, cannot exceed prime + 6.5 percent. If over \$50,000, cannot exceed prime + 4.5 percent. Prime may be lender prime.	Lender completes SBA Form 1920SX (Part C) "Eligibility Information."	Delegated to lender.	Maximum loan \$350,000. Guaranty percentage 50 percent.
Export Express Processing	Same as Standard 7(a). Plus, an executed Export Express Agreement.	Similar to export working capital 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).
Community Advantage	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).

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

* London InterBank Offered Rate

Leveling the Playing Field

There is no “typical” small business owner. In fact, those who wish to become small business owners span the gamut of race, ethnicity, age, gender and socioeconomic background. And while some small business owners build success and wealth beyond their wildest dreams, the truth is many small business owners in the United States face a host of obstacles and barriers that may preclude their success in business. That is where the U.S. Small Business Administration steps in to help level the playing field. The agency has a host of programs and services designed specifically to address the needs of veterans, women, minorities and the socially and economically disadvantaged on their journey towards successful small business ownership.

Over the next few years, more than 250,000 service members, including Reserve Component members, will transition into civilian life. Many of these veterans are interested in pursuing small business ownership as a viable career option. This is why the SBA has dedicated a program office at its headquarters in Washington, D.C., the Office of Veterans Business Development (OVBD), as well as funded 15 Veterans Business Outreach Centers (VBOCs) at locations across the country, to address the special needs of veterans. Headed by Rhett Jeppson, a current Reserve Marine Corps officer, OVBD aims to assist all veteran entrepreneurs with counseling and training; access to capital; and access to government contracting opportunities. Every one of the SBA’s 68 district offices also features a designated veteran’s business development officer. “When I was running my family’s business,” Associate Administrator Jeppson said. “I just wish I had known about the resources and help the SBA offers veterans.”

SBA’s outreach to veterans spans the 3C’s of Counseling, Capital, and Contracting. For example, in partnership with Syracuse University’s Institute for Veterans and Military Families (IVMF), the SBA is laying the foundation for the Boots to Business entrepreneurship training program to educate and expose separating service members to the principles of small business ownership; continuing funding for the Veteran Women Igniting the Spirit of Entrepreneurship (V-WISE) program; and sponsoring the Entrepreneurship Boot Camp for veterans with disabilities. SBA has also engaged its top 20 lenders and hundreds of community banks to increase access to capital for veterans by 5 percent each year during the next five years. Finally, SBA conducts outreach efforts, such as business matchmaking events, across the country to help ensure that at least 3 percent of all federal contracts are awarded to service-disabled, veteran-owned small businesses. For more information on SBA’s programs for veterans, go to www.sba.gov/vets.

Women, too, have long faced unique obstacles in the world of business. In response, the federal government created the Women-Owned Small Business Federal Contract Program, which authorizes federal contracting officers to set-aside certain contracts for women-owned small businesses and socially and economically-disadvantaged women-owned small businesses. Additionally, there is a government-wide statutory goal of awarding 5 percent of all federal contracts to women-owned small businesses. At the SBA, women business owners are assisted by the Office of Women’s Business Ownership. The office helps oversee federal agencies’ compliance with

federal contract set-aside opportunities for women-owned businesses, as well as directing the cooperative agreement that partially funds the network of 110 Women’s Business Centers (WBC). To learn more about the Office of Women’s Business Ownership and the WBC network, visit www.sba.gov/women.

Last but certainly not least, the SBA has an extensive portfolio of programs and services designed specifically to meet the needs of minority small business owners, especially those that are socially and economically disadvantaged. For example, the Emerging Leaders Initiative is designed specifically for small businesses that have substantial potential for expansion and growth in Native American and urban communities. See page 12 for more information on this program that is currently hosted in 27 markets across the country.

The SBA’s primary business development programs are the 8(a) Business Development Program and the Historically Underutilized Business Zone Program (HUBZone). Primarily federal contracting programs, participants are also provided counseling and other opportunities to help grow their businesses and invest in their own communities.

Mariana Pardo, director of the HUBZone program for the SBA, sums up the opportunities for businesses located in HUBZones. “Successful small businesses that are looking to narrow their field of competition in the federal contracting arena should explore the HUBZone certification. There is no expiration to this certification as long as the firm maintains compliance and undergoes a recertification every three years. The HUBZone website offers a wealth of information to help businesses develop a plan of action to obtain and maintain this certification so that they can obtain the maximum benefits for their communities,” she said. See page 34 to learn more about the 8(a) and HUBZone programs.

Equal economic opportunity for all is the mission of the SBA’s Office of Economic Opportunity, which ensures access to capital for even the smallest businesses. “At the Office of Economic Opportunity, we are charged with how best to harness all of the agency’s programs and resources to successfully get capital in the smallest amounts to the businesses and entrepreneurs who are most in need,” said Grady Hedgespeth, director of the office. “We’re talking loans in some cases as small as \$300 and up to \$350, 000,” he said. “These amounts are the critical funding gap faced by the vast majority of minority- and women-owned businesses, businesses in lower income areas and start-ups. The mainstream market for financial services does not do a good job of reaching many of these segments. But our office uses SBA loan, investment and resource programs to create innovative partnerships to extend credit availability and economic opportunity into these underserved markets,” Hedgespeth said.

The SBA is committed to the success of all small businesses. The pages of this resource guide provide more information on all of the programs described above, and additional information can also be found at www.sba.gov. The success stories profiled on the subsequent pages illustrate how small businesses have utilized these SBA resources and programs on their road to success. They are just a handful of the many small businesses the SBA has helped by leveling the playing field.

CONTRACTING

Applying for Government Contracts



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

The Small Business Administration works with agencies to award at least 23 percent of all prime government contracts to small businesses, with specific statutory goals for small 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 provides outreach programs, matchmaking events, and online training opportunities; and helps agencies identify contracting opportunities for small businesses.

HOW GOVERNMENT CONTRACTING WORKS

Sealed bidding vs. Negotiation

There are two 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 whose 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 the 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) www.sba.gov/subnet/search/index.cfm and through the General Services Administration (GSA) at www.gsa.gov/portal/content/101195. Research the list of prime contractors and determine which are best suited to your business. Develop a marketing strategy, and then contact the Small Business Liaison Officer (SBLO) listed for each prime to schedule an appointment.

SBA CONTRACTING PROGRAMS HUBZONE

The Historically Underutilized Business Zones (HUBZone) program helps small businesses located in distressed urban and rural communities gain access to federal set-aside contracts and sole source contracts, as well as a price evaluation preference in full and open contract competitions. There is a statutory goal that HUBZone small business concerns be awarded not less than 3 percent of the total value of all prime contract 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.

8(a) BUSINESS DEVELOPMENT PROGRAM

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

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

- It must be a small business by SBA size standards;

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

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

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

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

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

SBA is responsible for:

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

For additional information, visit <http://www.sba.gov/category/navigation-structure/8a-business-development>.

SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS

The Service-Disabled Veteran-Owned Small Business (SDVOSB) program has a federal government-wide goal of awarding at least 3 percent of prime and subcontracting dollars to Service-Disabled Veteran-Owned Small Businesses each year. Large prime contractors must also establish a subcontracting goal for 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.

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-



WHAT YOU SHOULD KNOW ABOUT YOUR BUSINESS

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

1. Are you a small business?

Is your small business:

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

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

2. What is the size standard for your business?

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

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

3. Do you fall under a specific certification?

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

SBA-Certified and Self-Certified.

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

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

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

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

demonstrate economic disadvantage in accordance with the requirements set forth in the final rule. For additional information, visit www.sba.gov/wosb.

Large prime contractors must also establish a subcontracting goal for Woman-Owned Small Businesses in their Subcontracting Plans. These subcontracting goals are reviewed at time of proposal by both the contracting officer and the SBA prior to the award of a contract.

GETTING STARTED IN CONTRACTING

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

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

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

2. Identify your EIN (Employer Identification Number)

An EIN, otherwise known as a federal tax identification number, is generally required of all businesses. For more information, go to www.irs.gov.

3. Identify your NAICS (North American Industry Classification) codes

The NAICS codes are used to classify the industry a particular business occupies. You will need at least one NAICS code to complete your registration, but be sure to list as many as apply. You may also add or change NAICS codes at any time. Visit www.census.gov/eos/www/naics/ to find NAICS codes.

4. Identify your SIC (Standard Industrial Classification) codes

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

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

The SAM is an online federal government maintained database of companies wanting to do business with the federal government. Agencies search the database for prospective vendors. Register at www.sam.gov.

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

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

6. Register with the GSA Schedule

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

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

7. Make Sure Your Business is Financially Sound

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

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

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

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

9. Marketing Your Business

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

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

ADDITIONAL PROCUREMENT RESOURCES

The following federal procurement resources may also be of assistance:

- **The Certificates of Competency (CoC) program** allows a small business, which is the apparent successful offeror, to appeal a contracting officer's non-responsibility determination that it is unable to fulfill the requirements of a specific government contract. The SBA will conduct a detailed review of the firm's technical and financial capabilities to perform on the contract. If the business demonstrates the capability to perform, the SBA issues a Certificate of Competency to the contracting officer, requiring award of that contract to the small business.
- **Procurement Center Representatives (PCR) and Commercial Marketing Representatives (CMR):** PCRs work

to increase the small business share of federal procurement awards. CMRs offer many services to small businesses, including counseling on how to obtain subcontracts. In Nevada contact George Dupin 702-388-6651, george.dupin@sba.gov.

- **PTACs (Procurement Technical Assistance Centers):** PTACs provide assistance to businesses that want to sell products and services to federal, state, and/or local government. In Nevada contact POP offices in Las Vegas 702-486-2700, Carson City 775-687-9921 and Fallon 775-687-9922.
- **Department of Defense** (The DoD is the largest purchaser of goods from small businesses): www.acq.osd.mil/osbp/
- **Office of Federal Procurement Policy:** www.whitehouse.gov/omb/procurement_default

- **Acquisition Forecast:** www.acquisition.gov/comp/procurement_forecasts/index.html
- **Federal Supply Schedule (FSS):** www.gsa.gov
- **GSA Center for Acquisition Excellence:** www.gsa.gov/portal/content/103487

Nevada Procurement Resources

- **Nevada PTAC:** Call 702-486-2700 in Las Vegas, 775-687-9900 in Carson City, or 775-687-9922 in Fallon for an appointment.
- **Nevada PCR and CMR:** George Dupin, Procurement Analyst, 702-388-6651. George.dupin@sba.gov. In Nevada contact POP offices: Las Vegas 702-486-2700, Carson City 775-687-9921 and Fallon 775-687-9922.

SBA DISASTER ASSISTANCE

Knowing the Types of Assistance Available for Recovery



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

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

Physical Disaster Loans

Physical Disaster Loans are the primary source of funding for permanent rebuilding and replacement of uninsured or underinsured disaster-caused damages to privately-owned real and/or personal property. SBA's physical disaster loans are available to homeowners, renters, businesses of all sizes and private nonprofit organizations of all sizes. A homeowner may apply for a loan of up to \$200,000 to repair or replace the primary residence to its pre-disaster condition. Homeowners

or renters may apply for a loan up to \$40,000 to help repair or replace personal property, such as clothing, furniture or automobiles, lost in the disaster. Businesses and private, nonprofit organizations of any size may apply for a loan up to \$2 million (actual loan amounts are based on the amount of uncompensated damage) to repair or replace real property, machinery, equipment, fixtures, inventory and leasehold improvements.

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

Economic Injury Disaster Loans

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

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

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

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



SBA's determination of whether the applicant has credit available elsewhere -- the ability to borrow or use their own resources to recover from the disaster.

More information on all of SBA's disaster assistance programs, including information for military reservists, is available at www.sba.gov/disaster. For information on current disaster declarations in Nevada, contact **916-735-1500**.

Disaster Preparedness

Recovering from a disaster doesn't begin with clearing the debris and returning to work. Imagine stepping into your store, or restaurant, or the office where you run your business, a day or two after the fire has been contained, the tornado has passed, or floodwaters have receded. First come the questions: "How much will it cost to rebuild? Will my insurance cover all this? How will I pay my employees and vendors and cover the bills during the recovery phase?" Before a disaster strikes is a good time to start, or update and test your business continuity plan. And while SBA disaster loans go a long way toward revitalizing communities devastated by the economic fallout that follows disasters, with a solid preparedness plan in place, your

business will be able to recover sooner, without taking on new debt.

Assessing your risks and needs are an important first step in developing your business continuity strategy. The American Red Cross' Ready Rating™ program (www.readyrating.org) is a free online tool that helps businesses get prepared for disaster and other emergencies. With Ready Rating you can evaluate your level of disaster readiness, and you'll get customized feedback on how to establish or expand your disaster plan.

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

assessment, evacuation plans and flood preparedness, that will help you develop a solid business continuity plan.

Meanwhile, here are a few preparedness tips to consider:

- **Review Your Insurance Coverage.** Contact your insurance agent to find out if your coverage is right for your business and make sure you understand the policy limits. Ask about Business Interruption Insurance, which compensates you for lost income and covers operating expenses if your company has to temporarily shut down after a disaster.
- **Establish a solid supply chain.** If all your vital external vendors and suppliers are local and if the disaster is significantly widespread, you'll all be in the same boat, struggling to recover. It's a good idea to diversify your list of vendors for key supplies to companies outside your area or internationally, if possible. Create a contact list for important contractors and vendors you plan to use in an emergency and find out if those suppliers have a recovery plan in place. Keep this list with other documents filed in a place that's accessible, and also at a protected off-site location.
- **Plan for an alternate location.** Do some research well in advance of the disaster for several alternative places to relocate your company in the event a disaster forces you to shut down indefinitely. Some options include contacting a local real estate agent to get a list of available vacant office space. Make an agreement with a neighboring business to share office space if disaster strikes. If possible, make plans for employees to telecommute until the office has been rebuilt.

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

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

ADVOCACY AND OMBUDSMAN

Watching Out for the Interests of Small Businesses



OFFICE OF ADVOCACY

The SBA's Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, the president and federal appellate courts as friends of the court. The advocacy office compiles and interprets statistics on small business and is the primary entity within the federal government to disseminate small business data.

Headed by the chief counsel for advocacy, the office also funds outside research of small business issues and produces numerous publications to inform policy makers about the important role of small businesses in the economy and the impact of government policies on small businesses. In addition, the office

monitors federal agency compliance with the Regulatory Flexibility Act – the law that requires agencies to analyze the impact of their proposed regulations on small entities (including small businesses, small governmental jurisdictions and small nonprofit organizations), and consider regulatory alternatives that minimize the economic burden on small entities.

Advocacy's mission is enhanced by a team of regional advocates, located in the SBA's 10 regions. They are Advocacy's direct link to small business owners, state and local government entities, and organizations that support the interests of small entities. The regional advocates help identify regulatory concerns of small business by monitoring the impact of federal and state policies at the grassroots level.

Learn more about the Office of Advocacy at www.sba.gov/advocacy.

OFFICE OF THE NATIONAL OMBUDSMAN

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

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

To request help, send the National Ombudsman a complete Federal Agency Comment Form. The Comment Form and other information about the office may be obtained online at www.sba.gov/ombudsman; or by fax at 202-481-5719.

Learn more about the National Ombudsman at www.sba.gov/ombudsman or call 202-205-2417.



ADDITIONAL RESOURCES

Taking Care of Startup Logistics



Even if you are running a small home-based business, you will have to comply with many local, state and federal regulations. Avoid the temptation to ignore regulatory details. Doing so may avert some red tape in the short term, but could be an obstacle as your business grows. Taking the time to research the applicable regulations is as important as knowing your market. Bear in mind that regulations vary by industry. If you're in the food-service business, for example, you will have to deal with the health department. If you use chemical solvents, you will have environmental compliances to meet. Carefully investigate the regulations that affect your industry. Being out of compliance could leave you unprotected legally, lead to expensive penalties and jeopardize your business.

BUSINESS LICENSES

There are many types of licenses, both state and local as well as professional. Depending on what you do and where you plan to operate, your business may be required to have various state and/or municipal licenses, certificates or permits.

Licenses are typically administered by a variety of state and local departments. Consult your state or local government for assistance.

Nevada Department of Taxation

<http://tax.state.nv.us>

In the State of Nevada all new businesses are required to obtain a business license within the city and/or county in which they operate.

City of Boulder City

401 California Ave.
Boulder City, NV 89005
702-293-9219

City of Caliente

100 Depot Ave.
Caliente, NV 89008
775-726-3132

City of Carlin

City Hall
151 S. 8th St.
Carlin, NV 89822
775-754-6354

City of Elko

1751 College Ave.
Elko, NV 89801
775-777-7138

City of Henderson

City Hall / Development Services Center
240 Water St.
Henderson, NV 89009

City of Las Vegas

333 N. Rancho Dr.
Las Vegas, NV 89106
702-229-6281

City of Reno

Reno City Hall
1 E. 1st St., 2nd Fl.
Reno, NV 89501
775-334-2090 ext. 1

City of Sparks

Sparks City Hall
431 Prater Way
Sparks, NV 89431
775-353-2360

City of Winnemucca

90 W. Fourth St.
Winnemucca, NV 89445
775-623-6338

Churchill County Clerk

Churchill County Courthouse
155 N. Taylor St., Ste. 110
Fallon, NV 89406
775-423-6028

Douglas County Clerk

1616 8th St., 2nd Fl.
Minden, NV 89423
775-782-9014

Elko County

571 Idaho St.
Elko, NV 89801
775-753-4600 ext. 236 or 775-754-6354

Eureka County Clerk

Clerk/Treasurer
P.O. Box 677
Eureka, NV 89316
775-237-5262
There are no jurisdictions in Eureka County which require a local license. The only requirement is a Fictitious Business Name Certificate.

Humboldt County Clerk

Humboldt County Courthouse
50 W. Fifth St.
Winnemucca, NV 89445
775-623-6343

Lander County

Lander County Courthouse
315 S. Humboldt St.
Battle Mountain, NV 89820
775-635-2860

Lyon County, City of Yerington

Yerington City Hall
102 S. Main St.
Yerington, NV 89447
775-463-3511

Mineral County

Mineral County Sheriff's Office
105 S. "A" St., Ste. 4
Hawthorne, NV 89415
775-945-2434

Nye County Pahrump Planning Office

250 N. Hwy. 160, Ste. 1
Pahrump, NV 89060
775-751-4249

Pershing County

Pershing County Courthouse
400 Main St.
Lovelock, NV 89419
775-273-2208

Storey County

Business Licenses
110 Toll Rd.
Virginia City, NV 89440
775-847-0966

Town of Tonopah

102 Burro Ave.
Tonopah, NV 89049
775-482-6336

White Pine County

White Pine County Courthouse
801 Clark St., Ste. #5
Ely, NV 89301
775-293-6509

Washoe County

Dept. of Community Development
1001 E. 9th St., Bldg. A, 2nd Fl.
Reno, NV 89512
775-328-3733

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.

AFFORDABLE CARE ACT (ACA)

Small businesses in Nevada can find ACA information at the Nevada health link website. <https://www.nevadahealthlink.com/Home/Employers>.

BUSINESS INSURANCE

Like home insurance, business insurance protects your business against fire, theft and other losses. Contact your insurance agent or broker. It is prudent for any business to purchase a number of basic types of insurance. Some types of coverage are required by law, others simply make good business sense. The types of insurance listed below are among the most commonly used and are merely a starting point for evaluating the needs of your business.

Liability Insurance – Businesses may incur various forms of liability in conducting their normal activities. One of the most common types is product liability, which may be incurred when a customer suffers harm from using the product. There are many other types of liability, which are frequently related to specific industries. Liability law is constantly changing. An analysis of your liability insurance needs by a competent professional is vital in determining an adequate and appropriate level of protection for your business.

Property – There are many different types of property insurance and levels

of coverage available. It is important to determine the property insurance you need to ensure the continuation of your business and the level of insurance you need to replace or rebuild. You 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 from such usage.

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

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

LOCAL LENDING

90% FINANCING!

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Is your business ready to take the next step?

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- Would you prefer to deal with a local lender?
- Does up to 90% financing appeal to you?

Join over 1800 Nevada businesses that have received owner-occupied real estate financing with Nevada State Development Corporation, Nevada's #1 SBA lender. Call either office for more information or visit us online at www.nsd.com.

Las Vegas Office 702.877.9111 1.877.732.7101 toll free		Reno Office 775.826.6172 1.800.726.2494 toll free
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Member of the SBA's Premier Certified Lender's Program

TAXES

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

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

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

FEDERAL PAYROLL TAX (EIN NUMBERS)

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

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

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

FEDERAL SELF-EMPLOYMENT TAX

Every employee must pay Social Security and Medicare taxes. If you are self-employed, your contributions are made through the self-employment tax.

The IRS has publications, counselors and workshops available to help you sort it out. For more information, contact the IRS at 800-829-1040 or www.irs.gov.

SALES TAX EXEMPTION CERTIFICATE

If you plan to sell products, you will need a Sales Tax Exemption Certificate. It allows you to purchase inventory, or materials, which will become part of the product you sell, from suppliers without paying taxes.

It requires you to charge sales tax to your customers, which you are responsible for remitting to the state. You will have to pay penalties if it is found that you should have been taxing your products and now owe back taxes to the state. For information on sales tax issues, contact your state government.

FEDERAL INCOME TAX

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

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

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

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

FEDERAL PAYROLL TAX

Federal Withholding Tax: Any business employing a person must register with the IRS and acquire an EIN and pay federal withholding tax at least quarterly. File Form SS-4 with the IRS to obtain your number and required tax forms. Call 800-829-3676 or 800-829-1040 if you have questions.

IRS WEB PRODUCTS FOR SMALL BUSINESSES

For the most timely and up-to-date tax information, go to www.irs.gov/businesses/small/index.html.

VIRTUAL SMALL BUSINESS WORKSHOP

www.tax.gov/virtualworkshop/

The Virtual Small Business Tax Workshop is the first of a series of video products designed exclusively for small business taxpayers. This workshop helps business owners understand federal tax obligations.

The Virtual Small Business Workshop is available on CD at www.irs.gov/businesses/small/article/0,,id=101169,00.html and online www.irsvideos.gov/virtualworkshop/ if you are unable to attend a workshop in person. Small business workshops are designed to help the small business owner understand and fulfill their federal tax responsibilities. Workshops are sponsored and presented by IRS partners who are federal tax specialists.

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

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

Tax Calendar for Small Businesses and Self-Employed (Publication 1518) 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

Worker's Compensation Insurance

Every business that employs anyone must obtain worker's compensation insurance coverage. There are three options for acquiring worker's compensation insurance:

1. Contact a licensed insurance agent;
2. Join an association of self-insured private employers;
3. Become a self-insured employer.

Coverage must be obtained prior to hiring employees. For more information contact:

Las Vegas 702-486-4009
Carson City 775-687-0700

Unemployment Compensation

Any business that employs one or more workers must register with the Nevada Unemployment Compensation Program. Contact the Employment Security Division for the State of Nevada in your area.

IRS W-4 Form

Every employee hired must complete a W-4 form. Any change in the employee's tax status requires a new form. Contact the IRS office in your area or call 800-829-1040.

State Labor Laws

All employers must comply with Nevada's labor statutes and must post a sign explaining these laws at the place of business. Contact the State Labor Commission in Carson City at 775-687-4850 or in Las Vegas at 702-486-2650.

Other Considerations

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees.

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.

OSHA and Nevada's Workplace Safety Regulations

All businesses, with one or more employees are required to comply with the Occupational Safety and Health Administration (OSHA) standards and Nevada Revised Statutes (NRS).

Federal Occupational Safety & Health Administration

Department of Labor
820 First St. N.E.
Washington, DC 20020
202-693-5000 or 866-487-2365

Environmental Regulations

All businesses, regardless of size, are required to comply with local, state, and federal environmental regulations. These can include sewer discharge, waste management, surface disturbance, air emission, and storm water requirements. These requirements can affect site location, operations and operational costs, and a business' liabilities and risk exposure.

The Business Environmental Program (BEP), of the Nevada Small Business

Development Center, provides free and confidential environmental management assistance. Helping businesses improve operations using cost-effective strategies to comply with environmental regulations is BEP's primary objective.

BEP can help your business with conventional and innovative approaches that can reduce wastes and emissions, costs, and regulatory requirements. Services include on-site assistance, seminars, newsletters, fact sheets, a website, and telephone assistance.

Best of all we can save you time and money and keep your business up-to-date by tracking new regulations, techniques, and technologies. Our focus is providing information you need to know in an easy-to-understand format.

For help or information call BEP at 800-882-3233 or 775-689-6688 or visit <http://unrbep.org/>.

Social Security's Business Services Online

The Social Security Administration now provides free electronic services online at www.socialsecurity.gov/employer/. Once registered for Business Services Online, business owners or their authorized representative can:

- file W-2s online; and
- verify Social Security numbers through the Social Security Number Verification Service, used for all employees prior to preparing and submitting Forms W-2.

Federal Withholding

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

Health Insurance

Compare plans in Nevada at the Nevada health link website.
<https://www.nevadahealthlink.com/Home/Employers>.

Employee Insurance

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

WORKPLACE DISABILITY PROGRAMS

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

U.S. CITIZENSHIP AND IMMIGRATION SERVICES

The Federal Immigration Reform and Control Act of 1986 requires employers to verify employment eligibility of new employees. The law obligates

an employer to process Employment Eligibility Verification Form I-9. The U.S. Citizenship and Immigration Services Office of Business Liaison offers a selection of information bulletins and live assistance through the Employer Hotline. For forms call 800-870-3676, for the Employer Hotline call 800-357-2099.

E-Verify: Employment Eligibility Verification

E-Verify, operated by the Department of Homeland Security in partnership with the Social Security Administration, is the best--and quickest--way for employers to determine the employment eligibility of new hires. It is a safe, simple, and secure Internet-based system that electronically verifies the Social Security number and employment eligibility information reported on Form I-9. E-Verify is voluntary in most states and there is no charge to use it.

If you are an employer or employee and would like more information about the E-Verify program, please visit www.dhs.gov/E-Verify or contact our Customer Support staff: 1-888-464-4218 Monday – Friday 8 a.m. – 5 p.m. E-mail: e-verify@dhs.gov

SAFETY AND HEALTH REGULATIONS

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees. The Occupational Safety and Health Administration provides information on the specific health and safety standards adopted by the U.S. Department of Labor. Call 1-800-321-6742 or visit www.osha.gov.

BUILDING CODES, PERMITS AND ZONING

It is important to consider zoning regulations when choosing a site for your business. You may not be permitted to conduct business out of your home or engage in industrial activity in a retail district. Contact the business license office in the city or town where the business is located.

BAR CODING

Many stores require bar coding on packaged products. Many industrial and manufacturing companies use bar coding to identify items they receive and ship. There are several companies that can assist businesses with bar-coding

needs. You may want to talk with an SBDC, SCORE or WBC counselor for more information.

Federal Registration of Trademarks and Copyrights

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

U.S. Patent and Trademark Office

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

Trademark Information Hotline

703-308-9000

STATE REGISTRATION OF A TRADEMARK

Trademarks and service marks may be registered in a state.

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

Patents

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

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

U.S. Patent and Trademark Office

800-786-9199 • www.uspto.gov

Copyrights

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

U.S. Copyright Office

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

OTHER ASSISTANCE

OTHER SOURCES OF ASSISTANCE

Chambers of Commerce

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

ARMARGOSA CHAMBER OF COMMERCE

821 Armargosa Farm Rd.
Armargosa, NV 89020
775-372-1515

ASIAN CHAMBER OF COMMERCE

6272 Spring Mountain Rd., Ste. #115
Las Vegas, NV 89146
702-737-4300

AUSTIN CHAMBER OF COMMERCE

122 Main St./P.O. Box 212
Austin, NV 89310
775-964-2200

BATTLE MOUNTAIN CHAMBER OF COMMERCE

625 Broad St./P.O. Box 333
Battle Mountain, NV 89820
775-635-8245

BEATTY CHAMBER OF COMMERCE

119 E. Main St./P.O. Box 956
Beatty, NV 89003
775-553-2424 or 866-736-3716 Toll Free

BOULDER CITY CHAMBER OF COMMERCE

465 Nevada Way
Boulder City, NV 89005
702-293-2034

CALIENTE – SEE GREATER LINCOLN COUNTY CHAMBER OF COMMERCE

CARSON CITY AREA CHAMBER OF COMMERCE

1900 S. Carson St., Ste. 200
Carson City, NV 89701
775-882-1565

CARSON VALLEY CHAMBER OF COMMERCE

1477 U.S. Hwy. 395 N., Ste. A
Gardnerville, NV 89410
775-782-8144

CITY OF CARLIN ECONOMIC DEVELOPMENT PROGRAM/CC

101 S. Eighth St./P.O. Box 787
Carlin, NV 89822
775-754-6354

DAYTON AREA CHAMBER OF COMMERCE

555 Hwy. 50 E. / P.O. Box 2408
Dayton, NV 89403
775-246-7909

ELKO AREA CHAMBER OF COMMERCE

1405 Idaho St.
Elko, NV 89801
775-738-7135

ELY – SEE WHITE PINE CHAMBER OF COMMERCE

FERNLEY CHAMBER OF COMMERCE

70 N. West St./P.O. Box 1606
Fernley, NV 89408
775-575-4459

GOLDFIELD CHAMBER OF COMMERCE

P.O. Box 204
Goldfield, NV 89013
775-485-3560

GREATER FALLON AREA CHAMBER OF COMMERCE

85 N. Taylor St.
Fallon, NV 89406
775-423-2544

HENDERSON CHAMBER OF COMMERCE

590 S. Boulder Hwy.
Henderson, NV 89015
702-565-8951

HUMBOLDT COUNTY CHAMBER OF COMMERCE

30 W. Winnemucca Blvd.
Winnemucca, NV 89445
775-623-2225

INCLINE VILLAGE – SEE NORTH LAKE TAHOE RESORT ASSOCIATION

LAKE TAHOE/SOUTH SHORE CHAMBER OF COMMERCE

169 Hwy. 50/P.O. Box 17181
South Lake Tahoe, CA 06151
775-588-1728

METRO LAS VEGAS CHAMBER OF COMMERCE

8363 W. Sunset Rd., Ste. 250
Las Vegas, NV 89146
702-641-5822

LAS VEGAS URBAN LEAGUE

930 W. Owens
Las Vegas, NV 89106
702-636-3949

LATIN CHAMBER OF COMMERCE

300 N. 13th St
Las Vegas, NV 89101
702-385-7367

LAUGHLIN CHAMBER OF COMMERCE

1585 Casino Dr.
Laughlin, NV 89029
702-298-2214

LOVELOCK/PERSHING COUNTY CHAMBER OF COMMERCE

Has merged with Greater Pershing Partnership
P.O. Box 821
Lovellock, NV 89419
775-273-7213

MASON VALLEY CHAMBER OF COMMERCE

(formerly Lyon County CC)
227 S. Main St.
Yerington, NV 89447
775-463-2245

MESQUITE AREA CHAMBER OF COMMERCE

12 W. Mesquite Blvd., Ste. 107
Mesquite, NV 89027
702-346-2902

MINERAL COUNTY CHAMBER OF COMMERCE

822 5th St./P.O. Box 2250
Hawthorne, NV 89415
775-945-2507

MOAPA VALLEY CHAMBER OF COMMERCE

P.O. Box 361
Overton, NV 89040
702-398-7160

NORTHERN NEVADA CHAMBER OF COMMERCE (SEE THE CHAMBER)

(Formerly Sparks Chamber of Commerce)

NORTH LAKE TAHOE RESORT ASSOCIATION

100 N. Lake Blvd.
Tahoe City, CA 96145
530-581-6900

PAHRUMP CHAMBER OF COMMERCE

1301 S. Hwy. 160, 2nd Fl./P.O. Box 42
Pahrump, NV 89048
775-727-5800

PAHRANAGAT VALLEY CHAMBER OF COMMERCE SEE CATHEDRAL GORGE & PANACA CHAMBER OF COMMERCE

PIOCHE CHAMBER OF COMMERCE

752 Main St./P.O. Box 127
Pioche, NV 89043
775-962-5426

SILVER SPRINGS CHAMBER OF COMMERCE

1190 Hwy. 50 W./P.O. Box 617
Silver Springs, NV 89429
775-577-4336

SPARKS CHAMBER OF COMMERCE (SEE THE CHAMBER)

THE CHAMBER (FORMERLY THE NO. NEVADA CHAMBER & THE RENO/SPARKS CHAMBER)

449 S. Virginia St., Ste. #200
Reno, NV 89501
775-636-9550
1420 Scheels Dr., Ste. E-108
Sparks, NV 89434
775-636-9550

URBAN CHAMBER OF COMMERCE

1951 Stella Lake St., Ste. #26
Las Vegas, NV 89106
702-648-6222

VIRGINIA CITY TOURISM COMMISSION

86 S. "C" St./P.O. Box 920
Virginia City, NV 89440
775-847-7500

WELLS CHAMBER OF COMMERCE

P.O. Box 615
Wells, NV 89835
775-752-3540

WEST WENDOVER TOURISM & CONVENTION BUREAU

735 Wendover Blvd./P.O. Box 2825
West Wendover, NV 89883
775-664-3138

WHITE PINE CHAMBER OF COMMERCE (ELY)

636 Aultman St.
Ely, NV 89301
775-289-8877

YERINGTON MASON VALLEY CHAMBER OF COMMERCE

227 S. Main St.
Yerington, NV 89447
775-463-2245

Other Organizations Providing Assistance

LAS VEGAS CLARK COUNTY URBAN LEAGUE

930 W. Owens
Las Vegas, NV 89106
702-636-3949

NATIONAL ASSOCIATION OF WOMEN BUSINESS OWNERS

P.O. Box 96355
Las Vegas, NV 89193
702-571-0462

NEVADA INTERTRIBAL COUNCIL

680 Greenbrae Dr., Ste. 265
Sparks, NV 89431
775-355-0600

Economic Development Organizations

CHURCHILL ECONOMIC DEVELOPMENT AUTHORITY

448 W. Williams, Ste. #103.
Fallon, NV 89406
775-423-8587

NORTHEASTERN NEVADA REGIONAL DEVELOPMENT AUTHORITY

1500 College Pkwy.
McMullen Hall, Room 120
Elko, NV 89801
775-738-2100 or 866-937-3556

OTHER ASSISTANCE

EDAWN

5190 Neil Rd., Ste. 110
Reno, NV 89502
775-829-3700

EUREKA COUNTY ECONOMIC DEVELOPMENT PROGRAM

315 Main St.
Eureka, NV 89316
775-237-6006

HUMBOLDT DEVELOPMENT AUTHORITY

50 W. Fifth St., Rm. 205
Winnemucca, NV 89445
775-623-6300

LANDER ECONOMIC DEVELOPMENT AUTHORITY

315 Humboldt St.
Battle Mountain, NV 89820
775-635-2860

LINCOLN COUNTY REGIONAL DEVELOPMENT AUTHORITY

P.O. Box 2008
Carson City, NV 89702
P.O. Box 851
Caliente, NV 89008
775-883-2051

MINERAL COUNTY ECONOMIC DEVELOPMENT AUTHORITY

901 E. St./P.O. Box 1635
Hawthorne, NV 89415
775-945-5896

NEVADA DEPARTMENT OF BUSINESS & INDUSTRY

1830 College Pkwy., Ste. 100
Carson City, NV 89706
775-684-2999

555 E. Washington Ave., Ste. 4900
Las Vegas, NV 89101
702-486-2750
<http://business.nv.gov>

NEVADA DEVELOPMENT AUTHORITY

6795 Edmond St., Ste. 260
Las Vegas, NV 89118
702-791-0000

NORTHERN NEVADA DEVELOPMENT AUTHORITY

704 W. Nye Ln., Ste. # 201
Carson City, NV 89703
775-883-4413



RURAL NEVADA DEVELOPMENT CORPORATION

1320 E. Aultman St.
Ely, NV 89301
866-404-5204

WHITE PINE COUNTY COMMUNITY DEVELOPMENT COUNCIL

957 Campton St.
Ely, NV 89301
775-293-6592

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

Nevada PTAC Program (contracting)
Global Business Development (export)

808 W. Nye Ln.
Carson City, NV 89703
775-687-9900

555 E. Washington Ave., Ste. 5400
Las Vegas, NV 89101
702-486-2700



Meet Dan.

Dan is one of thousands of small business owners that need **YOUR** products and services.

Small Business Resource magazine is distributed to small business owners, providing information on lending, services, and solutions that help small business owners start and expand their businesses.

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Small business owners like Dan need to...

- Hire new staff
- Rent or buy an office building
- Purchase a sign
- Create marketing materials
- Develop a website
- Hire a lawyer
- Find an accountant
- Purchase office equipment
- Buy office furniture
- Purchase vehicles
- Find insurance
- Open a bank account

...and they start their search in this magazine!

SBA PARTICIPATING LENDERS

SBA PARTICIPATING LENDERS

Southern Nevada Lenders

AVANA CAPITAL

8194 W. Deer Valley Rd.,
Ste. 106333
Peoria, AZ 85382
801-841-4194

BANK OF AMERICA

6900 Westcliff Dr.
Las Vegas, NV 89145
702-515-8809

BANK OF LAS VEGAS

10000 W. Charleston Blvd., Ste. 100
Las Vegas, NV 89135
702-948-3623

BANK OF LAS VEGAS

3740 S. Pecos-McLeod
Las Vegas, NV 89121
702-938-0529

BANK OF NEVADA

6915 Aliante Pkwy.
North Las Vegas, NV 89084
702-252-6122

BANK OF NORTH LAS VEGAS

6385 Simmons St.
North Las Vegas, NV 89031
702-259-2658

BANK OF THE WEST

4813 S. Eastern Ave.
Las Vegas, NV 89119
702-998-3057

BANK OF THE WEST

701 N. Valley Verde
Henderson, NV 89014
866-488-2265

CELTIC BANK

12121 Panama City Beach Pkwy.
Panama City Beach, FL 32407
850-236-5168

CHASE

3770 Howard Hughes Pkwy.,
Ste. 240
Las Vegas, NV 89169
702-733-2610

CITIBANK COMMERCIAL LENDING

3900 Paradise Rd., Ste. 127
Las Vegas, NV 89169
888-472-7626 or 702-796-4940

CITY NATIONAL BANK

10801 W. Charleston Blvd., #250
Las Vegas, NV 89135
702-952-4428

CITY NATIONAL

2320 E. Tropicana
Las Vegas, NV 89119
702-968-2357

EAST WEST BANK

4711 Spring Mountain Rd.
Las Vegas, NV 89102
702-475-6111

FIRST SAVINGS BANK

2605 E. Flamingo Rd.
Las Vegas, NV 89121
702-740-4063

FIRST SECURITY BANK

9130 W. Russell Rd., Ste. 100
Las Vegas, NV 89148
702-853-0900

KIRKWOOD BANK OF NEVADA

9436 W. Lake Mead Blvd., Ste. 3
Las Vegas, NV 89134
702-228-0941

MEADOWS BANK

8912 Spanish Ridge Ave., Ste. 100
Las Vegas, NV 89148
702-471-2040

MOUNTAIN AMERICA CREDIT UNION

700 Los Altos Pkwy.
Sparks, NV 89436
425-789-8785

MUTUAL OF OMAHA BANK

8337 W. Sunset Rd., Ste. 300
Las Vegas, NV 89113
702-492-5801

NEVADA NATIONAL BANK

6110 Spring Mountain Rd.
Las Vegas, NV 89146
702-453-8889

NEVADA STATE BANK

750 E. Warm Spring Rd.
Las Vegas, NV 89119
866-784-8031

PACIFIC ENTERPRISE BANK

17748 Skypark Cr., Ste. 100
Irvine, CA 92614
949-623-7586

PLAZA BANK

8275 W. Flamingo Rd.
Las Vegas, NV 89147
702-853-4736

ROYAL BUSINESS BANK

3919 Spring Mountain Rd.
Las Vegas, NV 89102
702-405-2543

SEACOAST COMMERCE BANK

10734 Cliffords Tower Ct.
Las Vegas, NV 89135
702-538-7841

SERVICE 1ST BANK OF NEVADA

8311 W. Sunset Rd., Ste. 130
Las Vegas, NV 89113
702-966-7434

SUPERIOR FINANCIAL SERVICES

440 Diablo Rd.
Danville, CA 94526
925-899-8449

US BANK

4055 S. Spencer St., #236
Las Vegas, NV 89119
702-735-7655

VALLEY BANK OF NEVADA

6385 Simmons St.
North Las Vegas, NV 89031
702-259-2658

VALLEY ECONOMIC DEVELOPMENT CENTER (VEDC)

112 Water St., Ste. 121
Henderson, NV 89015
702-734-3555

WELLS FARGO BANK

6325 S. Rainbow Blvd.
Las Vegas, NV 89118
702-247-5358

WELLS FARGO BANK

530 S. Las Vegas Blvd., #210
Las Vegas, NV 89101
702-952-7562 or 702-952-7560

WILSHIRE STATE BANK

3200 Wilshire Blvd., Ste. 510
Los Angeles, CA 90010
213-637-0397

Northern Nevada Lenders

BANK OF AMERICA

2597 Mill St.
Reno, NV 89502
775-332-5510

BANK OF THE WEST

4950 Kietzke Ln.
Reno, NV 89502
800-206-7856

CELTIC BANK

340 East 400 S.
Salt Lake City, UT 84111
801-320-6564

CITY NATIONAL BANK

2001 N. Main St., Ste. 200
Walnut Creek, CA 94956
925-274-5135

FIRST NATIONAL BANK OF ELY

595 Aultman St.
Ely, NV 89301
775-289-4441

GREAT BASIN FCU

9770 S. Virginia St.
Reno, NV 89511
775-789-3115

HERITAGE BANK

2330 S. Virginia St.
Reno, NV 89502
775-321-4102

MEADOWS BANK

6518 S. McCarran Blvd.
Reno, NV 89509
702-471-2040

MOUNTAIN AMERICA CREDIT UNION

SBA Division
7181 S. Campus View Dr.
West Jordan, UT 84084

MUTUAL OF OMAHA BANK

6275 Neil Rd.
Reno, NV 89511
775-321-5420

NEVADA STATE BANK (WASHOE)

1 W. Liberty St.
Reno, NV 89501
775-688-7932

NEVADA STATE BANK (ELKO)

487 Railroad St.
Elko, NV 89801
775-748-4434

NEVADA STATE BANK

(Outside Elko & Washoe Co.)
Branch Manager

NEVADA STATE BANK

(Washoe)
1 W. Liberty St.
Reno, NV 89501
775-688-7932

PLUMAS BANK

470 Nevada St., Ste. 108
Auburn, CA 95668
530-889-8616 ext. 6701

SUPERIOR FINANCIAL SERVICES

440 Diablo Rd.
Danville, CA 94526
925-899-8449

UMPQUA BANK

3490 S. Virginia St.
Reno, NV 89502
866-486-7782

UNITED FCU

1190 Bible Way
Reno, NV 89502
775-329-6673 ext. 108

U.S. BANK

(Outside Washoe County)
Local Branch Manager

U.S. BANK IN WASHOE COUNTY

1 E. Liberty St., Ste. 200
Reno, NV 89501
775-742-6736

VALLEY ECONOMIC DEVELOPMENT CENTER (VEDC)

1 E. First St., 12th Fl.
Reno, NV 89501
775-785-5820

WELLS FARGO BANK

5340 Kietzke Ln., 2nd Fl.
Reno, NV 89511
775-689-6141

Out of State Lenders

ALLIANCE BANK OF ARIZONA

4646 E. Van Buren St., Ste. 100
Phoenix, AZ 85008
602-797-3673

AMERICA FIRST FEDERAL CREDIT UNION

1344 W. 4675 S.
Riverdale, UT 84405
800-999-3961

COMERICA BANK

SBA Division
2321 Rosecrans Ave., Ste. 5000
El Segundo, CA 90245
310-297-3054

COMPASS BANK

Phoenix, AZ
602-522-7536

EXCEL NATIONAL BANK

SBA Division
9701 Wilshire Blvd.
Beverly Hills, CA 90212
877-392-5265

GROW AMERICA FUND

444 Larchmont Blvd., Ste. 201
Los Angeles, CA 90004
213-219-2931

NARA BANK

3731 Wilshire Blvd., 4th Fl.
Los Angeles, CA 90010
877-627-2722

NATIVE AMERICAN BANK

999 18th St., Ste. 2460
Denver, CO 80202
800-368-8894

PACIFIC CITY BANK

3701 Wilshire Blvd., Ste. 402
Los Angeles, CA 90010
213-210-2000

PACIFIC WESTERN BANK

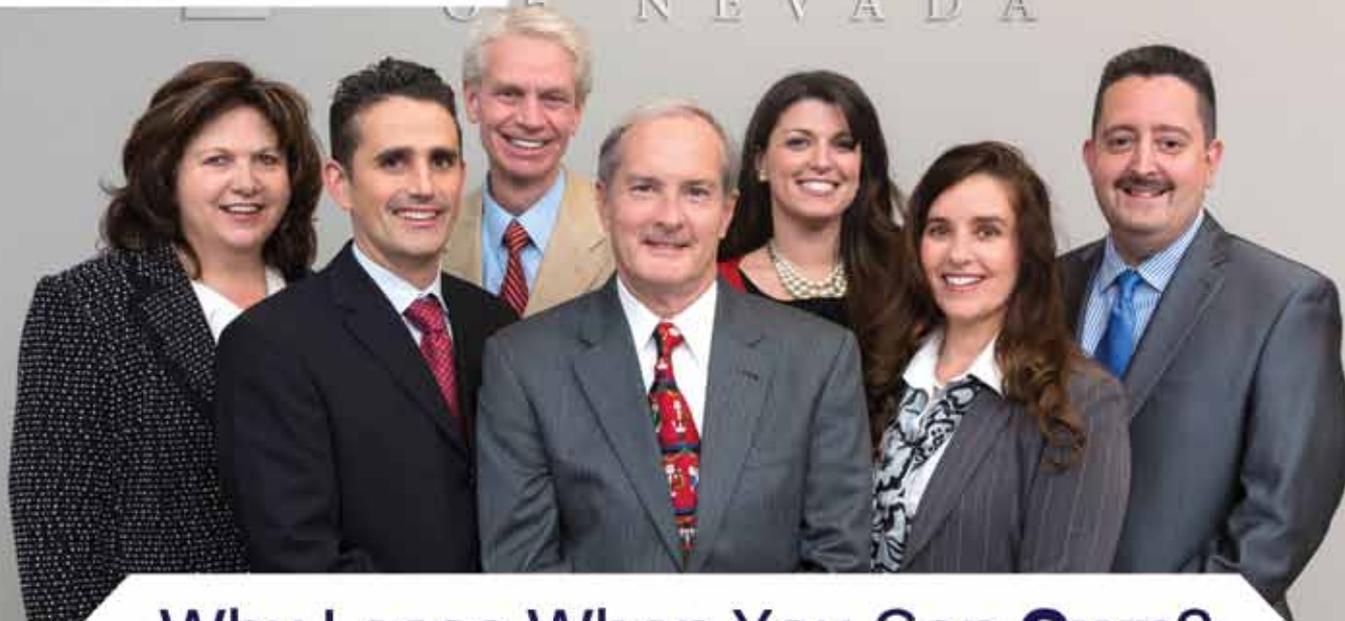
401 West A St., Ste. 200
San Diego, CA 92101
619-744-7200

SONOMA NATIONAL BANK

3558 Round Barn Blvd., Ste. 300
Santa Rosa, CA 95403
800-286-4949

UNITI BANK

SBA Division
6301 Beach Blvd., Ste. 100
Buena Park, CA 90621
877-658-6484



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At First Security Bank of Nevada, we continue our efforts to engage individuals with demonstrated and recognized excellence in institutional banking. We are determined to be one of your most trusted sources for business financial needs with a full range of loan and deposit products.

As part of our mission to promote the development of small businesses, we offer a number of different loan programs tailored to specific capital needs of growing businesses, including the SBA 7(a) and 504 Loan Programs.

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Nancy M. DeCou

"Nancy DeCou is a true ambassador to the SBA loan guaranty program, having set up several successful SBA loan departments over the years. Her dedication to providing capital for credit worthy small businesses is what led SBA to award her its esteemed Financial Services Advocate of the Year Award in 1999."

J. Adalberto Quijada, District Director
Santa Ana District Office
U.S. Small Business Administration

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