

RICHMOND, VA E-NEWSLETTER

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You have subscribed to the Newsletter List of the Richmond, Virginia District Office of the U.S. Small Business Administration. Information provided to you via this newsletter may include general information regarding our Agency and its programs. It will focus primarily on events in the Richmond District Office territory, consisting of all of Virginia, except the counties of Arlington, Fairfax and Loudoun, and cities of Alexandria, Fairfax and Falls Church. If you would like specific information related to the SBA office in your area, please visit our [Local Resources page](#) and click on the state in which your business resides or will reside.

Helping small businesses **start, grow** and **succeed**.



Your Small Business Resource

small business JOBSact

Small Business Jobs Act of 2010

On Sept. 27, 2010, President Obama signed into law the Small Business Jobs Act, the most significant piece of small business legislation in over a decade. The new law will provide critical resources to help small businesses continue to drive economic recovery and create jobs.

PROVISIONS INCLUDE:

- Extension of the higher SBA guaranty of 90 percent on most 7(a) loan programs and the fee reductions through December 31, 2010. The \$505 million in subsidy for Jobs Act loans will support about \$14 billion in overall small business lending.
- **Higher Loan Limits** — permanently increases loan limits:
 - (1) on 7(a) and 504 loans from \$2 million to \$5 million (for manufacturers in [504 loan program](#), up to \$5.5 million)
 - (2) on SBA [Microloans](#) from \$35,000 to \$50,000, helping larger entrepreneurs with start-up costs and small business owners in underserved communities. [List of Virginia microlenders](#).
- **Higher Alternative Size Standards** — more small businesses are eligible to get SBA loans due to an increase in the alternate size standard to businesses with less than \$15 million in net worth and \$5 million in average net income.
- **Temporary Enhancements to help with Working Capital and Commercial Real Estate Refinancing:**
 - (1) Maximum loan amount on [SBA Express loans](#) has been increased from \$350,000 to \$1 million (expires 9/27/2011).
 - (2) in coming months, some small businesses will be able to refinance their owner-occupied commercial real estate mortgages into the [504 loan program](#) (expires 9/27/2012).
- Promotes Small Business Exporting, Building on the President's [National Export Initiative](#):
 - [Export Express](#) Pilot becomes Permanent Loan program with 90% guarantees for loans up to \$350,000 and 75% for loans between \$350,000 and \$500,000.
 - State Trade and Export Promotion Grants Pilot — in coming months, the law will provide \$90 million in competitive grants over next three years for states to help small business owners with exporting.

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Small Business Jobs Act of 2010 (continued)

- [Dealer Floor Plan Pilot program](#), which helps small businesses who sell cars, RVs, boats, and other titleable inventory, has been extended and expanded through 2013. This new, larger pilot will be implemented in coming months.
- Small Business Intermediary Lending Pilot - will provide for funding up to \$20 million per year in small business loans over the next three years for an intermediary-facilitated loan program targeting small businesses that need loans up to \$200,000 (in the next six to twelve months).
- The New Law Strengthens Small Businesses' Ability to Compete for Contracts, Including Recommendations from the President's Task Force on Federal Contracting Opportunities for Small Business:
 - Equal Treatment across Federal Contracting Programs—The law reaffirms "parity" among federal small-business contracting programs. When awarding contracts that are set-aside for small businesses, contracting officers are free to choose among businesses owned by women and service-disabled veterans, as well as businesses participating in HUBZone and 8(a) programs.
 - More Opportunities for Small Businesses—The law will eliminate the "Competitiveness Demonstration" program, which limited opportunities for small contractors in about 10 industries where they excel, such as construction, landscaping and pest control. This will build on the \$24 billion small businesses won in these industries in Fiscal Year 2009.
 - The law will give contracting officers the ability to reserve orders for small business participation on contracts with multiple awards using the Federal Supply Schedule (GSA Multiple Award Schedule). The law makes it harder for agencies to "bundle" contracts, a practice that makes it more difficult for small businesses to compete.
 - Combating Fraud, Waste and Abuse—The law will put in place a legal standing of "presumption of loss" when a business misrepresents its ownership status or size in winning a government contract. It allows the federal agency to claim a loss on the purchase, allowing those agencies, including the Department of Justice, to vigorously pursue fraudulent firms.
 - The law will hold large prime contractors more accountable to their own subcontracting plans by requiring written justification when plans aren't met and when small business subcontractors aren't paid on time. This will help eliminate "bait-and-switch" tactics that occur when large primes – after winning the prime contract – don't follow through with their own plans to give sub-contracts to small businesses.
- The Law Expands Training and Counseling— the law will provide \$50 million in grants available to Small Business Development Centers.
- The New Law Provides \$12 Billion in Tax Relief to Help Small Businesses Invest in their Firms, Create Jobs:
 - Extension, Expansion of Tax Cuts — Eight Tax Cuts 1) Highest small business expensing limit ever, of \$500,000; 2) Carry-back provisions on net operating losses of up to 5 years; 3) Accelerated/bonus depreciation; 4) Zero capital gains taxes for those who invest in small businesses; 5) Increased deductions for start-ups; 6) and 7) Deductions for employer-provided cell phones, and for health insurance costs for the self-employed; and 8) Limitations on penalties for errors in tax reporting that disproportionately affect small business.
- Treasury Department Provisions
 - Small Business Lending Fund – \$30 billion—The law will provide smaller community banks with low-cost capital (as low as 1%) if they go above and beyond 2009 small business lending levels.
 - Establishes [State Small Business Credit Initiative](#)—The law will provide up to \$1.5 billion to support state-run small business lending programs. Virginia will receive \$17,953,191.

Office of Government Contracting, Women-Owned Small Business Program

On October 7, 2010, the U.S. Small Business Administration published a final rule effective February 4, 2011, aimed at expanding federal contracting opportunities for women-owned small businesses (WOSBs).

The Final Rule sets forth procedures authorized by the Small Business Act to help ensure a level playing field on which WOSBs can compete for Federal contracting opportunities, while helping achieve the existing statutory goal that 5 percent of Federal contracting dollars go to women-owned small businesses. The Final Rule sets forth the following:

Based upon the analysis in a study commissioned by the SBA from the Kauffman-RAND Foundation (referred to as the Rand Report), the proposed rule identifies 83 industries (identified by 4 digit North American Industry Classification System, or NAICS, codes) in which women-owned small businesses are under-represented or substantially under-represented. The Rand Report is available to the public at http://www.Rand.org/pubs/technical_reports/TR442.

In accordance with the statute, the Final Rule authorizes a set-aside of Federal contracts for WOSBs or economically disadvantaged women-owned small businesses (EDWOSBs) where the anticipated contract price does not exceed \$5 million in the case of manufacturing contracts and \$3 million in the case of other contracts, if certain other conditions are met.

The Final Rule removes the requirement, set forth in a prior proposed version, that each Federal agency certify that it had engaged in discrimination against women-owned small businesses in order for the program to apply to contracting by that agency.

The Final Rule allows WOSBs or EDWOSBs to self-certify their status or to be certified by third-party certifiers, including government entities and private certification groups.

The Final Rule allows SBA to engage in program examinations to confirm eligibility of individual WOSBs or EDWOSBs.

Additional WOSB Program Information such as a 1) WOSB Program Fact Sheet; 2) WOSB Program Frequently Asked Questions or FAQs; 3) WOSB Program Applicable NAICS Codes; 4) Compliance Guide for the WOSB Program; and 5) WOSB Program Guidelines for Contracting Officers (Coming Soon) are available at http://www.sba.gov/aboutsba/sbaprograms/gc/gc_women_procurement.html.

WOSB Program Repository—Information about the WOSB Program Repository will be released in the coming months. The repository continues to undergo system and technical evaluation prior to the February 4, 2011 program effective date. Once available, a link to the repository will be available at the above website.

Questions about the WOSB Program? Please contact the SBA Answer Desk at 1-800-U-ASK-SBA (1-800-827-5722) Answer Desk TTY: (704) 344-6640 [Spanish], E-mail: wosb@sba.gov.

Tax Package Mailing to End Following Growth of e-File

Business and individual taxpayers will no longer receive paper tax packages in the mail from the IRS. Tax packages contained the forms, schedules and instructions for filing a paper tax return. The IRS is taking this step because of the continued growth in electronic filing as well as to help reduce costs.

In early October, the IRS sent a postcard (Notice 1400-A, Notice 1400-J or Notice 1400-E) to businesses that normally receive their tax forms and publications from the IRS. Most businesses receive their tax products from a tax professional or tax software. The postcard explained how to get the tax forms and instructions needed to file future returns.

For more information and a list of the forms and publications that will no longer be mailed, please visit <http://www.irs.gov/businesses/small/article/0,,id=228152,00.html>.



SBA Social Media Presence is Growing.

Back in June, the SBA expanded its online presence to reach and engage with small business owners via social media channels including [Facebook](#) and [Twitter](#).

Our Facebook fan page has grown to over 2,500 fans! Likewise our Twitter following @SBAGov has surpassed 1,000 followers!

It's our mission to listen to everything you have to say and likewise, we are doing everything we can to provide answers to your questions.

So please continue to spread the word about SBA and our online community.

And don't forget:

- Our Twitter handle is @SBAGov
- Our Facebook page is facebook.com/sbagov
- Our YouTube channel is at youtube.com/sba.

HAVE A QUESTION?

EMAIL YOUR QUESTIONS: Our local email address is richmond.va@sba.gov. If you are a small business owner or prospective owner located in our territory of Virginia (see page 1), please contact us if you have questions about any of our services, starting a business, or obtaining business financing.



UPCOMING EVENTS

CALENDAR OF EVENTS: Be sure to visit our Calendar of Events area for workshops of interest to small business owners in Virginia. To get to the Calendar, go to our website (<http://www.sba.gov/va/>) and click on "Events Calendar" on the right-hand menu listing.

SHARE THIS NEWSLETTER WITH A FRIEND – Do you know a fellow small business owner who would benefit from the **Richmond, VA SBA Newsletter**? If so, forward it to them or direct them to the registration page at <http://web.sba.gov/list/> (scroll down and click on the box next to Richmond, VA Newsletter).

NEW SUBSCRIBERS – For those who have just joined the Newsletter list, be sure to read earlier newsletters in our [Archives](#).