



***Helping Small Businesses
Start, Grow and Succeed***



Minnesota Small Business Resource Guide

January 2017

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A Guide for Small Business Start-Up and Growth

This Resource Guide is brought to you by the U.S. Small Business Administration's (SBA) Minnesota District Office. In addition to providing this important tool to you, we host and partner on events across the state. To find out more about what's coming up, please visit **our website** www.sba.gov/mn and subscribe to **our newsletter** at www.sba.gov/updates

You can also join our region on Twitter and the national SBA on Facebook and Twitter. We look forward to helping you start, grow and success in business.



Information in this guide is subject to change without notice. While every reasonable effort has been made to ensure that the information was accurate as of publication date, the SBA shall not be liable for any damages arising from the use of or reliance on the information contained in this publication or from omissions to this publication.

SBA's participation in this publication is not an endorsement of the views, opinions, products or services of the publisher or any advertiser or other participant appearing herein. All SBA programs or cosponsored programs are extended to the public on a nondiscriminatory basis.

*Pictured on the front cover is Gloria Freeman, owner of Olu's Home and Olu's Center and the 2016 SBA Minnesota Small Business Person of the Year.



From the District Director

Dear Reader,

Small businesses are the backbone of our nation and state's economies. In 2015, Minnesota had 503,733 small businesses – adding 678 businesses in that year alone, which created 26,326 new jobs. At the SBA, we take our mission, to help small businesses start, grow and succeed, very seriously. We created this guide as a useful resource tool no matter what stage you're in with your business.

If you're just getting started, you should know that proper planning is key to success and the SBA provides and partners with great organizations that can help you bring your dream to life. If you've been in business for a while and are looking to develop additional business skills, find a mentor or access capital, this guide also has many key resources for you.

Inside you will discover:

- business resources available to you, many providing free or low-cost training,
- contracting with the government, and
- financing and export program options and much more.

Most of the counseling and mentoring services are provided by the SBA through our resource partners, of which you will find a complete listing. However, if you are unable to find one that fits your needs or have suggestions on how we can better serve you, please call our office at (612) 370-2324.



Kind regards,

Nancy J. Libersky

Minnesota District Director

U.S. Small Business Administration

U.S. Small Business Administration

The U.S. Small Business Administration (SBA) was created in 1953 as an independent agency of the federal government to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation.

We recognize that small business is critical to our economic recovery and strength, to building America's future, and to helping the United States compete in today's global marketplace. The SBA helps Americans start, build and grow businesses.

Through an extensive network of field offices and partnerships with public and private organizations, SBA delivers its services to people throughout the United States, Puerto Rico, the U. S. Virgin Islands and Guam.

SBA has grown significantly in terms of total assistance provided and its array of programs have been tailored to encourage small enterprises in all areas. In addition to guaranteeing loans through banks, SBA's programs now include;

- disaster assistance,
- exporting assistance,
- federal contract procurement assistance,
- management assistance, and
- specialized assistance for women, minorities and armed forces veterans.

The Minnesota District Office is responsible for implementing these programs, with valuable assistance from our resource partners, throughout the state.

Staff listed on the next page work with lenders, business owners and budding entrepreneurs to help grow our local economy.

Learn more at www.sba.gov/mn.



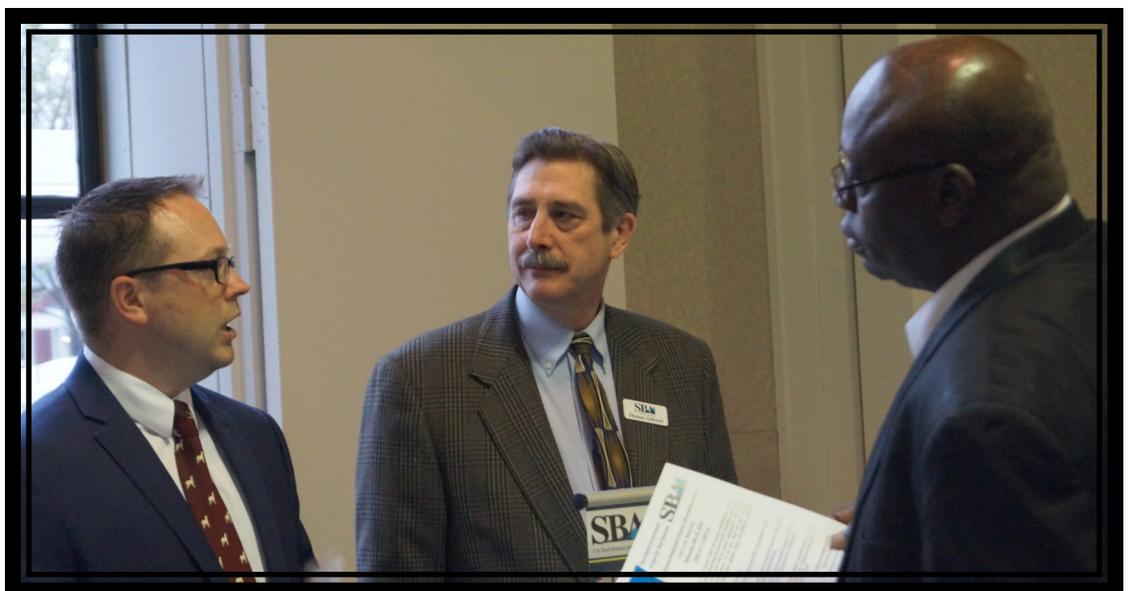
U.S. Small Business Administration

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SBA staff, Shaun McClary and Tom Osborne, help a small business owner at the 2016 SADBOC Procurement Fair.



FREE Online Training

The SBA Learning Center is an online portal that hosts a variety of **FREE**, self-paced online training courses and quick videos to help small business owners explore and learn about the many aspects of business ownership.

SBA Learning Center webinar topics include:

- Taking Your High-Tech Product to Market
- Understanding Your Customer
- Sales: A Guide for the Small Business Owner
- Buying a Business
- Business Opportunities: Winning Federal Contracts
- Certificate of Competency
- Competitive Advantage
- Contracting Opportunities for Veterans
- Counterfeit Parts – Prevention and Guidance
- Customer Service
- Crime Prevention: A Guide for Small Businesses
- Cybersecurity for Small Businesses
- Growing an Established Company
- How to Write a Business Plan
- An Introduction to Exporting
- How to Prepare Government Contract Proposals
- Finding and Attracting Investors
- Establishing Values for Your Business
- How to Prepare a Loan Package
- Financing Options for Small Businesses
- Introduction to Accounting
- Market Research
- Legal Requirements for Small Business
- Patents, Trademarks and Copyrights
- Selling Your Business
- Savings Plans for Small Businesses
- SBA's Disaster Assistance Programs
- Tribal Enterprise Business Guide
- Introduction to Franchising
- Introduction to Pricing

More than 80 webinars are available on a variety of topics

Visit www.sba.gov/learning to get started.

Spanish Language Resources

La oficina de Minnesota habla Español

¿Necesitas ayuda para comenzar o desarrollar su negocio pero tienes problemas con el lenguaje? Maribel Reigstad, especialista de programas de la SBA habla Español y te puede ayudar. Para ayuda en Español, llame a Maribel directamente al (612) 370-2321.

Bienvenidos a SBA.gov en Español

Proveyendo recursos que ayudan a su pequeña empresa a comenzar, a tener éxito, y a desarrollarse. Visita <https://es.sba.gov/>.

The screenshot shows the Spanish version of the SBA.gov website. At the top, there is a navigation bar with the SBA logo and the text 'U.S. Small Business Administration'. Below the logo, there is a search bar and a navigation menu with the following items: 'Comenzar y Administrar', 'Préstamos y Subvenciones', 'Contratación', 'Asistencia Local', and 'Acerca de la SBA'. The main content area features a large banner with the text 'CONÉCTESE COMO CONTRATISTA DEL GOBIERNO' and 'APRENDA CÓMO: CALIFICAR COMO PEQUEÑA EMPRESA • DETERMINAR SU CÓDIGO NAICS REGISTRARSE PARA CONTRATOS GUBERNAMENTALES'. To the right of the banner, there is a section titled 'Tendencias en SBA.gov' with a list of links: '¿Califico para contratos del gobierno?', 'Encuentre préstamos y subvenciones', 'Infórmese acerca de las fianzas de caución', and 'Préstamos para asistencia de desastres'. Below this, there are social media icons for Facebook, Twitter, YouTube, LinkedIn, Google+, and Email. Further down, there is a section titled '¿Necesita un préstamo para su pequeña empresa?' with a link to 'HERRAMIENTA SBA LINC' and the text 'Conectando prestatarios con entidades financieras aprobadas por la SBA para pequeñas empresas'. Below that, there is a profile for 'Administradora de la SBA MARIA CONTRERAS-SWEET' with a photo and a bio: 'Maria Contreras-Sweet es miembro del gabinete presidencial y campeón de la diversidad, acceso a capital y la igualdad de oportunidades para todos los estadounidenses. Lea Mas'. At the bottom, there is a section titled 'Herramientas' with two icons: 'Encuentre Eventos' and 'Reciba Ayuda Local'. On the left side, there is a 'Blogs Destacados' section with three articles: 'Revise sus indicadores claves de rendimiento antes de que empiece la temporada de fiestas', 'Cómo obtener mejores resultados de sus productos promocionales', and '8 consejos para construir el red de apoyo de su empresa'.

Market Research

Access tools for FREE that would normally cost you thousands.

At your fingertips, you have access to tools offered through the library system that will save you thousands. Below are just a few highlights available both online and onsite if you live in the seven county metro area through [Hennepin County Library](#).

And all you need is a library card!

- **Human Resources Compliance Library** - HR practices and federal/state laws.
- **Small Business Resource Center** - Articles on starting and running a business.
- **Gale Directory Library** - Wholesalers, distributors, tradeshow, and more.
- **Lynda.com** - Video tutorials for all skill levels on a wide variety of topic areas.

The main Hennepin County Library has a great business section with business librarians dedicated to helping you find the resources you need. These and many other resources are available to you through the library system. Learn more at www.hclib.org

Don't live in the metro area? The Duluth and Rochester Libraries have access to many of these same tools and your library system may have access to them as well. Contact your local library for more information.

Business Law and Regulations

It makes good business sense to know how to handle legal issues that impact your business. Not all legal matters require a lawyer, but they do require understanding. Protect yourself and your business by knowing where to go for assistance.

Handling Legal Concerns

- [Consumer's Guide To Legal Help](#) - A guide on legal help for the consumer.
- [ABA Lawyer Referral Service](#) - Lists lawyers in your state.
- [Fees And Expenses](#) - Explains the importance of negotiating legal fees.
- [Arbitration](#) - Explains arbitration, a quicker, less expensive way to resolve disputes.
- [Competition Counts: A Guide to Antitrust Laws](#) - An in-depth discussion of competition issues for those with specific questions about the antitrust laws.
- [Free Legal Assistance](#) - Help is available for non-litigation business law matters to low-income owners of small businesses, small nonprofit organizations and low-income innovators in Minnesota.

A variety of laws exist that govern how business is conducted in general, and in specific industries. Visit <https://www.sba.gov/managing-business/business-law-regulations/industry-laws-regulations> for more information.

Small Business Health Care

The Patient Protection and Affordable Care Act (ACA) enacted comprehensive health insurance reforms designed to ensure Americans have access to quality, affordable health care.

SBA, the Department of Health Human and Services, and the Small Business Majority have teamed up to offer a **free webinar series** where small employers can learn the basics of the ACA and what it means for their organization and employees. Topics covered include the Small Business Health Care Tax Credit, the new Health Insurance Marketplace, and Employer Shared Responsibility and new employer reporting requirements.

Whether you are self employed or have more than 50 employees, you can visit www.sba.gov/managing-business/small-business-health-care to learn how the ACA affects your business.

Cyber Security

Small employers often don't consider themselves targets for cyberattacks due to their size or the perception that they don't have anything worth stealing. However, small businesses have valuable information cybercriminals seek.

Here are the Top Ten Security Tips according to the [FCC](#):

1. Protect against viruses, spyware, and other malicious code.
2. Secure your networks.
3. Establish security practices and policies to protect sensitive information.
4. Educate employees about cyberthreats and hold them accountable.
5. Require employees to use strong passwords and to change them often.
6. Employ best practices on payment cards.
7. Make backup copies of important business data and information.
8. Control physical access to computers and network components.
9. Create a mobile device action plan.
10. Protect all pages on your public-facing websites, not just the checkout and sign-up pages.

Learn more about how to implement these tips and other cyber security issues at www.sba.gov/managing-business/cybersecurity.

Small Business Week Awards



Every year since 1963, the President of the United States has issued a proclamation announcing National Small Business Week, which recognizes the critical contributions of America's entrepreneurs and small business owners.

More than half of Americans either own or work for a small business, and they create about two out of every three new jobs in the U.S. each year.

As part of National Small Business Week, the SBA takes the opportunity to highlight the impact of outstanding entrepreneurs, small business owners, and others from all 50 states and U.S. territories. Every day, they're working to grow small businesses, create 21st century jobs, drive innovation, and increase America's global competitiveness.

Presented by:



Nominations Accepted Annually from the end of October to the beginning of January.

To nominate yours or another favorite business, please visit www.sba.gov/mn to learn more about the qualifications and to download an application form.

Training, Mentoring and Counseling

Opportunities for FREE or Low-Cost Help for Starting and Growing Your Small Businesses

The SBA and our nationwide network of resource partners provide entrepreneurs with business assistance and access to SBA's programs and services. In fiscal year 2015, our collective efforts helped small businesses to get \$4.7 billion in capital infusion, start over 19,000 new companies, and create and retain more than 55,000 jobs.

Together we provide quality one-on-one consulting, training and counseling that can help you start, grow and compete in the marketplace.



Uri Camarena, Minnesota's 2016 Minority Small Business Champion of the Year is a business consultant for Meda in Minneapolis. For nearly nine years, Camarena has uses his vast corporate experience to help other entrepreneurs with their businesses.

In Minnesota, the SBA works independently and with a number of local partners to counsel, mentor and train entrepreneurs and small businesses. SCORE, the Small Business Development Centers (SBDC) and the Women's Business Centers all receive funding from the SBA to provide services to help your business thrive and grow.

In addition to those, there are many other organizations and agencies in the state that can help you succeed. Take advantage of your tax dollars at work and use the help they provide. More information what's available is in the following pages.

SBA's Emerging Leaders Program

The SBA Minnesota District Office annually runs a **FREE mini-MBA** training program for small to medium-sized business owners and CEOs in the Twin Cities and surrounding suburbs.

The Emerging Leaders training focuses on small, poised-for-growth companies with potential for job creation. The seven-month intensive training program gives small business owners the chance to work with experienced mentors and develop connections with their peers, city leaders and financial communities.

Graduates have reported that nearly 70 percent achieved revenue growth and over 80 percent created new jobs or retained all existing jobs. Graduates have secured federal, state, local and tribal contract awards over \$700 million nationwide.

To be eligible to participate, the small businesses must:

- be located in the cities of Minneapolis or Saint Paul or surrounding suburb,
- generate revenues between \$400,000 and \$10 million,
- have been in business for at least three years,
- have at least one employee besides the CEO participant,
- and be committed to attend 13 workshops and complete required course work.

Local recruitment for the annual training cycle typically begins in late January. Classes begin in April and are held biweekly through early October.

Interested small business owners are invited to learn more about the initiative at www.sba.gov/about-sba/sba-initiatives/sba-emerging-leaders-initiative.



The 2016 Emerging Leaders class was a diverse group of business owners from all walks of life and in many stages of business. Some joined the class after being in business just three years, others after nearly a lifetime.

The SCORE Association

Connecting Entrepreneurs with mentors to help them build their dream with FREE business advice.

Whether you're just starting out, in business, or ready to sell or retire, you can get FREE, confidential, business advice from expert advisors committed to helping you succeed. SCORE offers expertise in a variety of fields and industries.

Because their work is supported by the SBA, and thanks to a network of 11,000+ volunteers, they are able to deliver services at no charge or at a very low cost.

SCORE also provides no- or low-cost business training and education online and in the community. Every week, SCORE hosts a LIVE webinar on a variety of business topics. You can also take an interactive course or find a local workshop.

In 2015, 53,337 new businesses were started nationwide with the assistance of SCORE Mentors.

SCORE was started in Minnesota and for over 50 years their thousands of working and retired business professionals have volunteered to support the success of small business nationwide.

Take advantage of their free confidential business mentoring today. Request a mentor and check out local offerings at www.score-mn.org.



SCORE presents local workshops and events throughout the state to help small business owners. Through SCORE you can learn to;

- prepare a business plan,
- increase sales and learn about marketing,
- how to finance your business,
- understanding SBA Lending, and
- get accounting help, understand tax implications, and more.



There are six SCORE Chapters located in Minnesota. Their counselors help take some of the mystery out of getting started and taking control of your career in business.

There is no charge to meet with a SCORE counselor.

To request free counseling click here for the [“Request for Counseling”](#) form.

For a schedule of workshops and seminars, contact the SCORE Chapter via [SCORE’s website](#) or call the chapter most convenient to you.

Local Chapters

Central MN - St. Cloud, 320-240-1332, www.centralminnesota.score.org

Minneapolis, 952-938-4570, www.minneapolis.score.org

Southeast MN - Rochester, 507-200-0760, www.seminnesota.score.org

South Central - Owatonna, 507-455-3215 x124, www.southcentralminnesota.org

South Metro - Burnsville, 952-890-7020, www.southmetro.score.org

St. Paul, 651-632-8937, www.stpaul.score.org



Business owners Jusak Bernhard and Jeff Manley, of Tailspin, benefitted from SCORE counseling, as well as other SBA resources.

Small Business Development Centers

Help Growing Your Small Business

Small Business Development Centers (SBDC) statewide network provides the professional expertise and guidance that every small business owner needs to flourish in today's competitive and ever-changing business world.

SBDC counseling services primarily focuses on assisting existing/growing businesses in the areas of:

- Business Planning
- Marketing, E-commerce
- Technology
- Financial Analysis
- Loan Packaging

Directly and through collaboration with other organizations, the SBDC program also offers assistance and referrals in:

- Regulatory Compliance
- Information Technology
- Exporting
- Government Procurement
- Federal Research/Development Opportunities

SBDC consultants have significant experience in the private sector, and have extensive management and financial consulting backgrounds. SBDCs also use qualified faculty, students and volunteers to enhance their services. SBDC consultants are highly regarded by clients for their business skills and expertise.

While the SBDCs do not administer loan or grant programs, their network of consultants help small business to identify and access financing options, evaluate eligibility, and help prepare documentation that lenders require.



To view a listing of workshops or to submit a request for counseling services go to <http://mn.gov/deed/business/help/sbdc/> or see list of offices on the next page.

Minnesota SBDC Centers

Northwest Region, Bemidji, 218-755-4255, www.nwsbdc.org

Northeast Region, Duluth, 218-726-7298, www.umdced.com

West Central Region, Moorhead, 218-299-3037, www.cord.edu/sbdc/

North Central Region, Brainerd, 218-855-8140, www.clcmn.edu/small-business-development-center/

Central Region, St. Cloud, 320-308-4842, www.stcloudstate.edu/sbdc

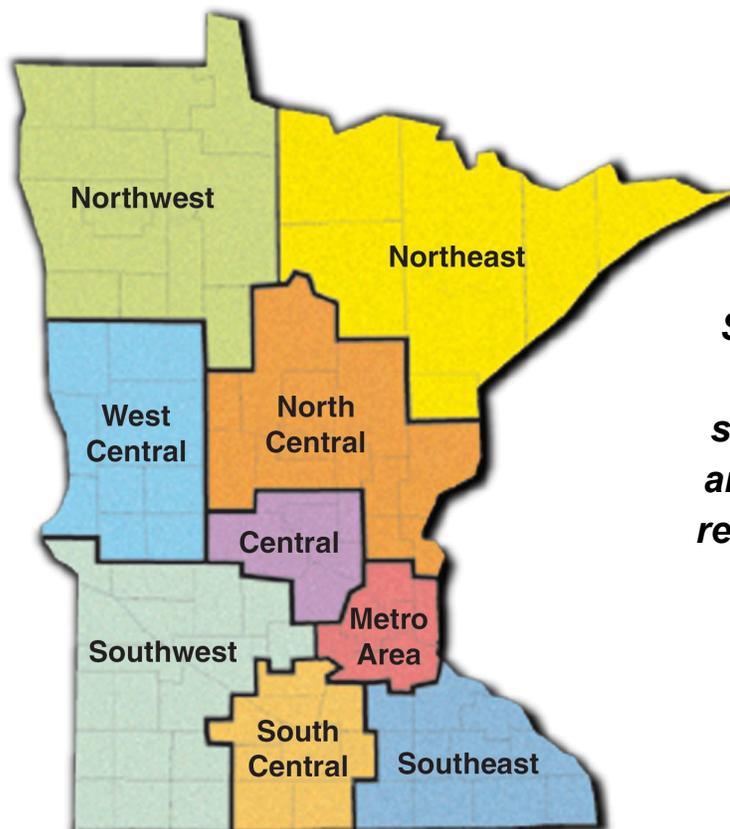
Southwest Region, Marshall, 507-537-7386, www.SBDCAssistance.com

South Central Region, Mankato, 507-389-8875, www.myminnesotabusiness.com

Southeast Region, Rochester, 507-285-7536, www.RochesterSBDC.com

Twin Cities Metro Area, Minneapolis, 651-962-4500, www.stthomas.edu/sbdc

State Office, St. Paul, 877-653-8333, <http://mn.gov/deed/business/help/sbdc/>



SBDC consultants have got you covered at most any stage with expert advice and analysis to help you avoid, or recover from, costly mistakes.

They can also help you assess new ways to make your business grow.

Women's Business Centers

Leveling the Playing Field for Women in Business

In 1988 the SBA established the Women's Business Center (WBC) program to better help women overcome continuing barriers to success. Today there are Women's Business Centers in almost every state, with two located in Minnesota.

These centers, along with SBA district offices and other SBA resource partners at thousands of locations nationwide, help women entrepreneurs start and grow successful businesses.

Each Women's Business Center tailors its services to the needs of its individual community. Each provides training in finance, management, marketing, and the more, as well as offering access to all of the SBA's financial and procurement assistance programs.

Women's Business Centers can help you with:

Training and Counseling

WBCs serve a wide diversity of areas, demographic populations, and economic environments. Classes and training opportunities are often free or low cost, with scholarships available.

Financial Resources

WBCs can help you target the right loan for your business needs and give you advice on what you need to do to get it.

Federal Contracts

There are many initiatives to help women secure better access to federal contracts. WBCs can help you identify which are right for your business.

Minnesota WBC Locations



Women's Business Alliance

202 W. Superior Street, #311
Duluth, MN 55802
218-623-5747

[www.entrepreneurfund.org/
womens-business-alliance/](http://www.entrepreneurfund.org/womens-business-alliance/)



2021 E Hennepin Ave
#200 Minneapolis MN 55413
612-224-9540

www.womenventure.org

Veteran Business Resources from the SBA

If you are a veteran or service-disabled veteran, SBA has resources to help you start and grow your small business. From creating a business plan to finding your first customer, the SBA is here to help you succeed. For more information, visit www.sba.gov/starting-business/how-start-business/business-types/veteran-owned-businesses.

Businesses Counseling and Assistance

Boots to Business Reboot: A free two-step entrepreneurial program offered by the SBA to veterans and their spouses in their communities.

Office of Veterans Business Development: Programs and services to support and empower aspiring and existing veteran entrepreneurs and spouses.

Veterans Women Igniting the Spirit of Entrepreneurship (V-WISE): An SBA funded program, V-WISE enables women Veterans to learn the business skills to turn their businesses into a growth ventures.

Veterans Business Coalition: Extends the entrepreneurship training offered in TAP on military installations to veterans of all eras in their communities.

Veterans Business Outreach Center (VBOC): Provides entrepreneurial development services such as business training, counseling and mentoring for eligible veterans.

Financing

Veterans Advantage: SBA loans approved to businesses owned by veterans and their spouses can get up to \$350,000 with no upfront SBA guaranty fees or up to \$500,000 with a 50% reduction in SBA fees.

For more information, please contact SBA's Veteran's Business Development Officer, Tom Osborne at thomas.osborne@sba.gov, 612-370-2356.



Veterans newly discharged and long retired came together for a Boots to Business Reboot class.

Additional Partners



Meda provides business consulting, access to capital and market opportunities for minority entrepreneurs. Through these services, minority-owned businesses can become employers that create quality jobs.

In addition, Meda hosts the Minnesota Procurement Technical Assistance Center (MN PTAC) that helps all Minnesota businesses pursue government procurement opportunities.

Learn more at <http://meda.net>.

When you're running a business, you may not need to be a tax expert, but you do need some tax basics. IRS's Small Business and Self-Employed Tax Center gives you the information you need to stay tax compliant so your business can thrive.



Visit the IRS Small Business and Self-Employed Tax Center for information you need: www.irs.gov/businesses/small-businesses-self-employed.



LegalCORPS provides free assistance in non-litigation business law matters to low-income owners of small businesses in Minnesota through the services of volunteer attorneys.

They offer regular opportunities for FREE 30 minute consultations and longer one on one representation for business owners who qualify. See their website for clinic locations and hours at www.legalcorps.org.

Even More Partners

The African Development Center is dedicated to the economic empowerment and success of African immigrants.

Through workshops and consultations on financial literacy, business development, and home ownership, ADC provides culturally appropriate services to Minnesota's African community.

Learn more at www.adcminnesota.org.



**African
Development
Center**
of Minnesota



For the state of Minnesota, the Department of Employment and Economic Development (DEED) facilitates an economic environment to produce jobs and improve the quality of the state's workforce. To do that they manage over 50 programs, and the services to support them, throughout the state.

From starting your business and finding a location and workers to financing and exporting, they can help your small business in many ways.

Learn more at <https://mn.gov/deed>.

The Neighborhood Development Center provides culturally appropriate, integrated business services (training, financing, business services, and incubator spaces) in targeted low-income Twin Cities neighborhoods so that the people who live in those neighborhoods can start and grow businesses that enrich their economic and social fabric.

Visit www.ndc-mn.org to learn more.



Note: We couldn't possibly list all the agencies available to help you with your business in this guide. We encourage you to go online, visit your local library and more to explore your options.

SBA Loan Programs

Here to Help Small Businesses Grow

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

When you seek a business loan, familiarize yourself with the SBA business loan programs to see if they may be a viable option. The three principal players in each of these programs are: the small business, the lender and the SBA.

SBA guarantees a portion of the loan, which can allow for better terms and a lower cost loan.

Before you go to the bank:

- Prepare a business plan. Visit SBA's online site devoted to helping you write your business plan at: www.sba.gov/writing-business-plan.
- Take advantage of free counseling services from SCORE, SBDC, the Women's Business Centers or local resource agencies for help with this plan.
- Read this SBA blog post on How to Get a Business Loan at <https://www.sba.gov/blogs/6-step-guide-how-get-business-loan>. It covers what the banks are looking for, how to make the process easier, and much more.

Note: The SBA does not offer grants to individual business owners to start or grow their business. The only grants the SBA is authorized to provide are for entities to provide business management technical assistance to other businesses.



Andrew Peralta, owner of two Dairy Queens in northern Minnesota, joins his banker and staff to celebrate the first dollar made at his second location.

SBA Advantage Loans/7(a)

Under the SBA Advantage program, previously called the 7(a) program, participating banks or other private lenders make loans directly to small business clients and SBA provides a loan guarantee. By assuming some of the risk, the SBA guaranty makes it easier for a small business clients to obtain a loan.

Loan Amounts

SBA Advantage loans have a maximum loan amount of \$5 million. SBA does not set a minimum loan amount. The average SBA Advantage loan amount in fiscal year 2015 was \$371,628.

Fees

Loans guaranteed by the SBA are assessed a guarantee fee. This fee is based on the loan's maturity and the dollar amount guaranteed, not the total loan amount.

Interest Rates

The actual interest rate for a SBA Advantage loan guaranteed by the SBA is negotiated between the applicant and lender and subject to the SBA maximums. Both fixed and variable interest rate structures are available.

Percentage of Guarantee

SBA can guarantee as much as 85 percent on loans of up to \$150,000 and 75 percent on loans of more than \$150,000. SBA's maximum exposure amount is \$3,750,000. If a business receives an SBA-guaranteed loan for \$5 million, the maximum guarantee to the lender will be \$3,750,000 or 75%. SBA Express loans have a maximum guarantee set at 50 percent.



The Minnesota SBA Lending Team:
Tom Osborne and Alisha Podobinski.

Eligibility

- Business must be for-profit.
- Meet SBA size standards (posted online at www.sba.gov/size).
- Applicant must be of good character, demonstrate sufficient management expertise, commitment to provide reasonable assurance of successful business operation.
- Applications must include historical earnings, cash flow records, and demonstrate ability to repay the loan.
- SBA requires capital and collateral, although can be more liberal than lenders without the guaranty.

Special Types of SBA Advantage/7(a) Loans

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.

Community Advantage

Community Advantage is a pilot loan program introduced by the SBA to meet the credit, management, and technical assistance needs of small businesses in underserved markets

Export Loan

See page 30 for details.

Veterans Advantage

See page 19 for details.

Learn more about these and other SBA loan options at www.sba.gov/loans

SBAExpress Loan Program

SBAExpress is available to lenders as a way to obtain a guaranty on smaller loans up to \$350,000. Express lenders use mostly their own forms, analysis and procedures to process, service and liquidate SBA-guaranteed loans.

This program provides SBAExpress lenders with a faster turn-around from SBA and less paper-work for both the lender and the borrower. Funds for nearly all business uses are allowed (as under the SBA Advantage/7(a) program) but SBA can also guaranty a revolving line of credit under this program.

Most guarantees are limited to 50%, but there are exceptions. The guaranty fees are the same as the SBA Advantage/7(a) program.

For a complete list of lenders in Minnesota
offering SBA guaranteed loans, visit

Minnesota Participating Lenders

(<https://www.sba.gov/offices/district/mn/minneapolis/resources/minnesota-lenders-list>)

Micro Loan Program/7(m)

The Microloan program provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers start up and expand. The average microloan is about \$13,000.

The SBA provides funds to specially designated nonprofit lenders, which also have experience in management and technical assistance. Virtually all types of for-profit businesses that meet standards for the SBA Advantage/7(a) Loan Guaranty Program may apply for a Microloan, provided a microlender works in the geographic area of the business. Learn more at www.sba.gov/loans.

Microlender	Service Area by County
African Development Center Minneapolis, MN, 612-333-4772 www.adcmnnesota.org	Anoka, Beltrami, Blue Earth, Carver, Chisago, Dakota, Hennepin, Isanti, Olmsted, Ramsey, Scott, Sherburne, Stearns, and Washington
Entrepreneur Fund, Inc. Duluth, MN, 800-422-0374 www.entrepreneurfund.org	Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, Cass, Pine, Crow Wing, and St. Louis
Hmong American Partnership Saint Paul, MN, 651-495-1557 www.hmong.org	Anoka, Dakota, Hennepin, Ramsey, Scott and Washington
Neighborhood Development Center St. Paul, MN, 651-379-8422 www.ndc-mn.org	Hennepin and Ramsey
Northwest Minnesota Foundation Bemidji, MN, 218-759-2057 www.nwmf.org	Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau
Southern Minnesota Initiative Foundation Owatonna, MN, 507.455.3215 www.smifoundation.org	Sibley, Nicollet, LeSueur, Rice, Wabasha, Brown, Watonwan, Blue Earth, Waseca, Dodge, Olmsted, Winona, Martin, Fairbault, Freeborn, Mower, Fillmore, Steele, Goodhue and Houston
Southwest Initiative Foundation Hutchinson, MN, 320-587-4848 www.swifoundation.com	Big Stone, Carver, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Stearns, Swift, Wright, and Yellow Medicine
WomenVenture Minneapolis, MN, 612-224-9540 www.womenventure.org	Anoka, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, Steele, and Wright

CDC/504

The 504/CDC provides financing for major fixed assets such as equipment or real estate.

The program is designed to enable existing small businesses to create and retain jobs. Typically, a 504 project includes:

- A loan secured with a senior lien on the financed asset made by a private-sector lender (covering 50% of fixed financing).
- A loan secured with a junior lien made by a CDC (funded by a 100 percent SBA-guaranteed debenture) covering up to 40 percent of the financing.
- At least 10 percent is contributed by the small business or some other non-federal source who will take a third collateral position.



The SBA-guaranteed debentures are pooled monthly and sold to private investors. The maximum SBA debenture is \$5 million with a few exceptions that can go as high as \$5.5 million. Proceeds from 504 loans must be used for fixed-asset projects, such as constructing, modernizing, renovating, converting existing facilities, or purchasing land and improvements. Learn more at www.sba.gov/loans.

504 Refinance Program—NEW in 2016!

Eligible small business owners now have more options to refinance eligible fixed assets and business expenses through the 504 Refinance Program. The program was made permanent late in May of 2016. This change will help small business owners ease their financial burdens and create incentives for potential expansion and further job creation.

The 504 Refinance Program, with its long term fixed-rate can help refinance debt from adjustable rate loans with significant savings to borrowers. Paying off existing loans with a new loan at a lower cost can help increase cash flow, which can be especially helpful in a resurgent economy. Learn more at www.sba.gov/content/sba-504-refinance-program-made-permanent-0.

Find a CDC on the following page and contact them directly to learn more about this and the standard 504 Program.

Certified Development Companies

<p>Central Minnesota Development Company Andover, MN, 763-784-3337 www.cmdcbusinessloans.com</p>	<p>Minnesota Business Finance Corporation St. Cloud, MN, 800-593-0123 www.mbfc.org</p>
<p>504 Corporation Rochester, MN, 507-288-6442 www.504corporation.com</p>	<p>SPEDCO Arden Hills, MN, 651-631-4900 www.spedco.com</p>
<p>Prairieland Economic Development Corporation Slayton, MN , 800-507-9003 www.prairielandedc.com</p>	<p>Twin Cities-Metro Certified Development Company Vadnais Heights, MN, 651-481-8081 www.504lending.com</p>
<p>Also authorized to work in Minnesota: Dakota Business Finance, Sioux Falls, ND, http://dakotabusinessfinance.com/ Dakota Certified Development Company, Fargo, ND, www.dakotacdc.com/ WBD, Stillwater, MN, www.wbd.org</p>	

Venture Capital

Venture capital is a type of equity financing that addresses the funding needs of entrepreneurial companies that for reasons of size, assets, and stage of development cannot seek capital from more traditional sources, such as public markets and banks. Venture capital investments are generally made as cash in exchange for shares and an active role in the invested company.

Small Business Investment Companies (SBIC's) are privately-owned and operated companies that are a licensed and regulated extension of the SBA. They make venture investments by supplying equity capital and extending unsecured loans and loans not fully collateralized to small enterprises which meet their investment criteria.

Learn more about the SBIC Program at www.sba.gov/sbic. The Office of Investment and Innovation oversees the SBIC program as well as the SBIR and STTR programs. Check out their website for more information: www.sba.gov/offices/headquarters/ooi.

Visit this directory for contact information needed to learn more about the SBIC Licensees in Minnesota: www.sba.gov/content/all-sbic-licensees-state.

SBA Disaster Loans

SBA provides low-interest disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters. SBA disaster loans can be used to repair or replace the following items damaged or destroyed in a declared disaster: real estate, personal property, machinery and equipment, and inventory and business assets.



Even if your property was not damaged and you are a small business owner or a private, non-profit organization, you may apply for a working capital loan from the SBA to relieve the economic injury caused by the disaster.

If you are in a declared disaster and think you might qualify, for more information call the SBA's Customer Service Center at 800-659-2955 (800-877-8339 for the deaf and hard-of-hearing) or sending an email to disastercustomerservice@sba.gov.

To apply online using the Electronic Loan Application (ELA) visit SBA's secure website at <https://disasterloan.sba.gov/ela>. Loan applications and more can also be downloaded from www.sba.gov/disaster.

USDA Rural Business Loans



The SBA isn't the only government agency working to help business owners. USDA Rural Development operates over fifty financial assistance programs for a variety of rural applications, including business.

The U.S. Department of Agriculture has a Business and Industry Guaranteed Loan Program and provides guarantees of up to 80 percent of the loan. These loans can be packaged with SBA loans to help rural business owners grow and succeed.

Learn more at <https://www.rd.usda.gov/programs-services>

Program	Maximum Loan Amount	Percent of Guaranty	Use of Proceeds	Maturity	Maximum Interest Rates	Guaranty Fees	Who Qualifies	Benefits to Borrowers
SBA 7(a) Loan	\$5 million	85% guaranty for loans of \$150,000 or less; 75% guaranty for loans greater than \$150,000 (up to \$3.75 million maximum guaranty)	Term Loan. Expansion/renovation; new construction; purchase land or buildings; purchase equipment; fixtures; lease-hold improvements; working capital; refinanced debt for compelling reasons; seasonal line of credit, inventory or starting a business	Depends on ability to repay. Generally, working capital & machinery & equipment (not to exceed life of equipment) is 5-10 years; real estate is 25 years.	Loans less than 7 years: \$0 - \$25,000 Prime + 4.25% \$25,001 - \$50,000 P + 3.25% Over \$50,000 Prime + 2.25% Loans 7 years or longer: 0 - \$25,000 Prime + 4.75% \$25,001 - \$50,000 P + 3.75% Over \$50,000 Prime + 2.75% Fixed Rate: www.colisenseprices.com Click: News & Rates	(No SBA fees on loans of \$150,000 or less approved in FY 2017.) Fee charged on guaranteed portion of loan only: \$150,001-\$700,000 = 3.0%; \$700,001-\$1,000,000 = 3.5%; plus 3.75% on guaranty portion over \$1 million, 12 months or less 2.5% Ongoing fee of 0.546%.	Must be a for-profit business & meet SBA size standards; show good character, credit, management, and ability to repay. Must be an eligible type of business. Prepayment penalty for loans with maturities of 15 years or more if prepaid during first 3 years. (5% year 1, 3% year 2 and 1% year 3)	Long-term financing; Improved cash flow; Fixed maturity; No balloons; No prepayment penalty (under 15 years)
SBA 7(a) Small Loans Is any 7a loan \$350,000 and under, except the Community Advantage and Express loans	\$350,000	Same as SBA Advantage (7a)	Same as SBA Advantage (7a)	Same as SBA Advantage (7a)	Same as SBA Advantage (7a)	Same as SBA Advantage (7a)	Same as SBA Advantage (7a) Plus, all loan applications will be credit scored by SBA. If not an acceptable score, the loan can be submitted via full standard 7(a) or Express.	Same as SBA Advantage (7a)
SBA Express	\$350,000	50%	May be used for revolving lines of credit (up to 7 year maturity) or for a term loan [same as 7(a)].	Up to 7 years for Revolving Lines of Credit including term out period. Otherwise, same as 7(a).	Loans \$50,000 or less: prime + 6.5% Loans over \$50,000: prime + 4.5%	Same as SBA Advantage (7a)	Same as SBA Advantage (7a)	Fast turnaround; Streamlined process; Easy-to-use line of credit
SBA Veterans Advantage 10/07/15 - 09/30/16	Processed under SBA Express \$350,000	Same as SBA Express	Same as SBA Express	Same as SBA Express	Same as SBA Express	No guaranty fee. Ongoing fee of 0.546% on loans above \$150,000.	Same as 7(a) Plus, small business must be owned and controlled (51%+) by one or more of the following groups: veteran, active-duty military in TAP, reservist or National Guard member or a spouse of any of these groups, or a widowed spouse of a service member or veteran who died during service, or a service-connected disability.	Same as SBA Express No guaranty fee
CapLines: 1. Working Capital; 2. Contract; 3. Seasonal; and 4. Builders	\$5 million	Same as SBA Advantage (7a)	Finance seasonal and/or short-term working capital needs; cost to perform; construction costs; advances against existing inventory and receivables; consolidation of short-term debts. May be revolving.	Up to 10 years, except Builder's CAPLine, which is 5 years	Same as SBA Advantage (7a)	Ad- Same as SBA Advantage (7a)	Same as SBA Advantage (7a) Ad- Plus, all lenders must execute Form 750 & 750B (short-term loans)	1. Working Capital - (LOC) Revolving Line of Credit 2. Contract - can finance all costs (excluding profit). 3. Seasonal - Seasonal working capital needs. 4. Builder - Finances direct costs in building a commercial or residential structure
Community Advantage Mission-focused lenders only. Expires 03/31/2020	\$250,000	Same as SBA Advantage (7a)	Same as SBA Advantage (7a)	Same as 7(a)	Prime plus 6%	Same as SBA Advantage (7a)	Same as SBA Advantage (7a) Ad- Small Loans	Same as 7(a) Plus lenders must be CDFIs, CDCs, micro-lender or SBA Intermediary Lenders targeting underserved market.

Program	Maximum Loan Amount	Percent of Guaranty	Use of Proceeds	Maturity	Maximum Interest Rates	Guaranty Fees	Who Qualifies	Benefits to Borrowers
International Trade	\$5 million	90% guaranty (up to \$4.5 million maximum guaranty) (Up to \$4 million maximum guaranty for working capital)	Term loan for permanent working capital, equipment, facilities, land and buildings and debt refinance related to international trade	Up to 25 years.	Same as SBA Advantage (7a)	Same as SBA Advantage (7a)	Same as SBA Advantage (7a) Plus, engaged or preparing to engage in international trade or adversely affected by competition from imports.	Long term financing to allow small business to compete more effectively in the international marketplace
Export Working Capital Program	\$5 million	90% guaranty (up to \$4.5 million maximum guaranty)	Short-term, working-capital loans for exporters. May be transaction based or asset-based. Can also support standby letters of credit	Generally one year or less, may go up to 3 years	No SBA maximum interest rate cap, but SBA monitors for reasonableness	Same as SBA Advantage (7a)	Same as SBA Advantage (7a) Plus, need short-term working capital for direct or indirect exporting.	Additional working capital to increase export sales without disrupting domestic financing and business plan
Export Express	\$500,000	90% guaranty for loans of \$350,000 or less; 75% guaranty for loans greater than \$350,000	Same as SBAExpress plus standby letters of credit	Same as SBAExpress	Same as SBAExpress	Same as SBA Advantage (7a)	Applicant must demonstrate that loan will enable them to enter a new, or expand in an existing export market. Business must have been in operation for at least 12 months (though not necessarily in exporting).	Fast turnaround; Streamlined process; Easy-to-use line of credit. Loan can be for direct or indirect exporting.
SBA 504 Loans Provided through Certified Development Companies (CDCs) which are licensed by SBA	SBA Grow (504) CDC, maximum amount ranges from \$5 million to \$5.5 million, depending on type of business or project.	Project costs financed as follows: CDC: up to 40% Lender: 50% (Non-guaranteed) Equity: 10% plus additional 5% if new business and/or 5% if special use property.	Long-term, fixed-asset loans; Lender (non-guaranteed) financing secured by first lien on project assets. CDC loan provided from SBA (100% guaranteed debenture sold to investors at fixed rate or secured by 2nd lien.	CDC Loan: 10- or 20-year term fixed interest rate. Lender Loan: Unguaranteed financing may have a shorter term. May be fixed or adjustable interest rate	Fixed rate on SBA Grow (504) Loan established when the debenture backing loan is sold. Declining prepayment penalty for 1/2 of term.	SBA guaranty fee on debenture is 0.0%. A participation fee of 0.5% is on lender share, plus CDC may charge up to 1.5% on their share. CDC charges a monthly servicing fee of 0.625%-2.0% on unpaid balance. Ongoing guaranty fee is 0.697% of principal outstanding. Ongoing fee % doesn't change during term.	Alternative Size Standard: For-profit businesses that do not exceed \$15 million in tangible net worth, and do not have an average two full fiscal year net income over \$5 million. Owner Occupied 51% for existing or 60% for new construction.	Low down payment - equity (10, 15 or 20 percent) (The equity contribution may be borrowed as long as it is not from an SBA loan) Fees can be financed; SBA/CDC Portion: Long-term fixed rate Full amortization and No balloons
SBA 504 Refinancing Program (Permanent) Provided through Certified Development Companies (CDCs) which are licensed by SBA	Same as SBA Grow (504) (see SBA Policy Notice 5000-1382 dated 05/26/2016 for complete program information)	Loan to Value (LTV) Qualified and Secured Debt: 90%. For projects that include "Business Operating Expenses (BOE)" the LTV is 75%. BOE may not exceed 25% of the fixed asset.	At least 85% of the proceeds of the loan(s) to be refinanced had to be originally used for eligible fixed assets. May include the financing of eligible business expenses as part of the refinancing.	Same as SBA Grow (504)	Same as SBA Grow (504)	Same as SBA Grow (504) except: Ongoing guaranty fee is 0.731% of principal outstanding.	Loan(s) to be refinanced can't be subject to a guaranty by a Federal agency, can't be a Third Party Loan which is part of an existing SBA 504 project and must have been current on all payments for the past 12 months. Both the business and loan(s) to be refinanced must be at least 2 years old.	Business can access equity in their commercial real estate for business operating expenses or refinance property on reasonable terms. Fees can be financed; SBA/CDC Portion: Long-term fixed rate Full amortization and No balloons
Non-7(a) Loans Microloans Loans through nonprofit lending organizations.	\$50,000	Not applicable	Working capital, supplies, machinery & equipment, fixtures, etc. Intermediary may choose to refinance debt. Cannot be used for real estate.	Shortest term possible, not to exceed 6 years	Negotiable with intermediary. Subject to either 7.75 or 8.5% above intermediary cost of funds.	No guaranty fee	Same as 7(a)	Direct loans from nonprofit intermediary lenders; Fixed-rate financing; Very small loan amounts; Technical assistance available

Take Your Business Global

U.S. Export Assistance Center

Is your small business ready to go global? It may be an easier step than you think. Advances in technology can make worldwide commerce achievable for many small businesses, depending on the goods or services you offer.

If you're ready to explore the possibilities and challenges of exporting, the Minnesota U.S. Export Assistance Center is your one-stop-shop, designed to provide export assistance for your small or medium-sized business.

Contact Carlos Sosa at 612-348-1642 or carlos.sosa@sba.gov.

This downloadable tool will help you:

- Determine your export readiness.
- Worksheets for global market research.
- Financing information and options.
- Customizable Export Business Plan and Marketing Plan Templates.
- Helpful resources and more.



<https://www.sba.gov/managing-business/exporting/export-business-planner>

Export Loans

SBA provides a number of loan programs to help trade and export activities.

Export Express offers financing up to \$500,000; loan funds can be used for any purpose that increases a company's ability to export such as marketing, foreign travel, short-term lines of credit and capital expenditures.

Export Working Capital Program helps meet short-term working capital needs of small exporters up to \$5 million. It can be structured as a Foreign Purchase Order line of credit to support direct and indirect export sales.

International Trade Loan Program helps finance an exporter's larger domestic capital expenditures that support foreign sales up to \$5 million.

Learn more at www.sba.gov/managing-business/exporting/export-loans/financing-your-small-business-exports.

Research & Development Funding

Small Business Innovation Research Program

The Small Business Innovation Research (SBIR) program is a highly competitive program that encourages domestic small businesses to engage in Federal Research and Development that has the potential for commercialization.

Through a competitive awards-based program, SBIR enables small businesses to explore their technological potential and provides the incentive to profit from its commercialization.

The program's goals are four-fold:

- Stimulate technological innovation.
- Meet federal research and development needs.
- Foster participation in innovation and entrepreneurship by socially and economically disadvantaged persons.
- Increase private-sector commercialization of innovations derived from federal research and development funding.

Small Business Technology Transfer Program

The Small Business Technology Transfer (STTR) is another program that expands funding opportunities in the federal innovation research and development (R&D) arena. Central to the program is expansion of the public/private sector partnership to include the joint venture opportunities for small businesses and nonprofit research institutions.

The unique feature of the STTR program is the requirement for the small business to formally collaborate with a research institution in Phase I and Phase II. STTR's most important role is to bridge the gap between performance of basic science and commercialization of resulting innovations.



***Learn more about both of these programs at
www.sbir.gov/***

Government Contracting Assistance

Overview for Small Business

U.S. federal government contracts represent a tremendous sales and revenue opportunity for small businesses because:

- The U.S. Government is the world's largest customer, purchasing approximately \$450 billion in goods and services in 2015.
- Buys all types of products and services in both large and small quantities.
- Is required by law to provide opportunities for small businesses.

Category	Goal vs. (Actual)	Dollars Spent
Small Businesses	23% (25.7%)	\$91 billion
Small Disadvantaged Business	5% (10%)	\$35 billion
HUBZone Small Business	3% (1.8%)	\$6 billion
Service Disabled Veteran-Owned Small Business	3% (3.9%)	\$14 billion
Woman Owned Small Business	5% (5.1%)	\$18 billion

The main tool the federal government uses to meet its small business goals is contract set-asides. The government can limit competition to only small businesses or only to certain types of small business (see table above).

To see whether government contracting is right for your business, learn what you need to get started as a federal contractor and discover government contract opportunities and customers, visit www.sba.gov/contracting/what-government-contracting/overview.

There are two broad categories of government contractors:

Prime Contractors bid on and win contracts directly from government agencies. They are the entity that is legally responsible for all aspects of fulfilling the contract.

Subcontractors join prime contractors' teams, usually to provide a specific capability or product. Subcontracting is an excellent way to enter the government contracting market and to participate in larger-scale opportunities.

SBA's Role in Government Contracting

SBA's Office of Government Contracting & Business Development works with federal agencies to award at least 23% of all prime government contract dollars to small businesses. They do this by implementing and overseeing small business programs and ensuring contracts are set aside for small businesses whenever possible.

One of the key programs is SBA's 8(a) Business Development Program which helps eligible socially and economically disadvantaged individuals grow their businesses through SBA assistance and federal contract awards. The Minnesota District Office frequently presents live webinars on the 8(a) Business Development program.

Stay Current!

Find out more and sign up for our newsletter with current classes at www.sba.gov/mn.

Get Started as a Contractor

- **Contact the Procurement Technical Assistance Center (PTAC):** PTAC can help you with all of the items listed below and more. Their services are generally FREE of charge. In Minnesota, contact Meda PTAC at www.mnptac.org.
- **Determine your NAICS code:** The North American Industry Classification System (NAICS) assigns a code to every industry. SBA size standards are based on NAICS codes. Find yours here: www.sba.gov/contracting/getting-started-contractor/determine-your-naics-code.
- **Determine if you are a small business:** Check www.sba.gov/size.
- **Research the government market to determine demand for your product/service:** Check USAspending.gov for historical spending; for current contract bid opportunities go to www.fbo.gov/.
- **Register as a government contractor in the System for Award Management (SAM):** Every business that wants to sell to the government must register in SAM. Learn more and register at www.sam.gov.
- **Apply for socioeconomic certifications such as 8(a) BD and HUBZone:** Some contracts are set-aside for 8(a) BD participants and HUBZone certified small businesses. Go to www.sba.gov/contracting.
- **Become familiar with government contracting rules and practices:** Attend workshops and procurement events sponsored by SBA and PTAC. Research regulations and review other online materials to increase your knowledge of procurement practices. Check our Events Calendar at www.sba.gov/mn.

8(a) Business Development Program

In order to help small, disadvantaged businesses compete in the marketplace, the SBA created the 8(a) Business Development Program.

- It offers a broad scope of assistance to firms that are owned and controlled at least 51% by socially and economically disadvantaged individuals.
- It is an essential instrument for helping socially and economically disadvantaged entrepreneurs gain access to the economic mainstream of American society. The program helps thousands of aspiring entrepreneurs to gain a foothold in government contracting.
- Participation in the program is divided into two phases over nine years: a four-year developmental stage and a five-year transition stage.
- Participants can receive sole-source contracts, up to a ceiling of \$4 million for goods and services and \$6.5 million for manufacturing. While we help 8(a) firms build their competitive and institutional know-how, we also encourage them to participate in competitive acquisitions.
- 8(a) firms are also able to form joint ventures and teams to bid on contracts. This enhances the ability of 8(a) firms to perform larger prime contracts and overcome the effects of contract bundling, the combining of two or more contracts together into one large contract. Also, see the [Mentor-Protégé Program](#) for more information on allowing starting 8(a) companies to learn from other more experienced businesses.

8(a) participants are also offered specialized business training, counseling, marketing assistance, and high-level executive development provided by the SBA and our resource partners.

To see if you are eligible and learn more about the program, visit www.sba.gov/contracting/government-contracting-programs/8a-business-development-program.



The screenshot shows the SBA Learning Center website. The main heading is 'SBA Learning Center'. Below it, there is a course titled 'Business Opportunities: A Guide to Winning Federal Contracts'. The course description states: 'This course is designed to provide an overview of federal contract procedures and describe how to sell to the government. See the Government Contracting Classroom for more information. Duration: 00:30:00'. There is a 'BEGIN COURSE' button and a 'System Requirements' section. The SBA logo is visible at the top, and navigation links like 'Starting & Managing', 'Loans & Grants', 'Contracting', 'Learning Center', 'Local Assistance', and 'About SBA' are present.

ONLINE CLASSES

The SBA has an extensive range of courses on different aspects of government bids, contracts, and contract jobs.

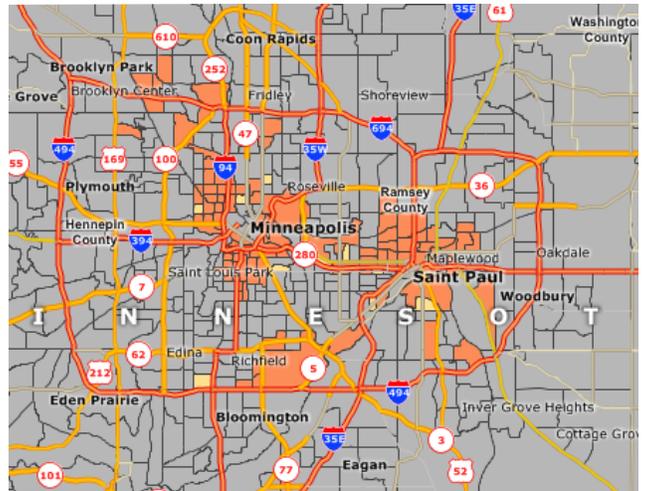
Visit www.sba.gov/tools/sba-learning-center/training/business-opportunities-guide-winning-federal-contracts.

Other Contracting Assistance

HUBZone Program

The Historically Underutilized Business Zones (HUBZone) Program helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities.

In order to qualify for the HUBZone program, your business must be located in a HUBZone and 35% of your employees must reside in a HubZone. You may determine if an address or a particular area is designated as a HUBZone by using the HUBZone Maps.



Learn more at www.sba.gov/contracting/government-contracting-programs/hubzone-program.

Minnesota PTAC

The Minnesota Procurement Technical Assistance Center (PTAC) provides counseling and procurement technical assistance to all Minnesota businesses interested in selling their products and services to the government.

Using market identification, registration assistance, contracting regulations/compliance assistance and on-going technical support, MN PTAC helps businesses navigate through the complicated intricacies of obtaining federal, state and local government contracts

For more information, visit <http://meda.net/ptac>.

SADBOC

The Small and Disadvantaged Business Opportunity Council (SADBOC) is a council under the Federal Executive Board of Minnesota whose mission is to promote supplier diversity in the public sector through collaboration and information sharing between its members and through education and outreach to the small business public. SADBOC members include federal, state and local agencies as well as non-profits with an interest in supplier diversity.

Learn about their annual procurement fair that attracts 1,000+ small businesses to meet with representatives from federal, state and local agencies, commercial/prime contractors, and service providers and more at www.minnesota.feb.gov/programs/sadbooc.

Is Entrepreneurship Right for You?

There is no way to eliminate all the risks associated with starting a small business. However, you can improve your chances of success with good planning and preparation.

Consider the following:

Are you a self-starter? It will be up to you - not someone else - 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, employees, bankers and others.

How good are you at making decisions? Small business owners are required to make decisions constantly, quickly, independently, and under pressure.

Do you have the physical and emotional stamina to run a business? Business ownership can be fun and exciting, but it is also a lot of work. Can you face 12-hour work days six or seven days a week?

How well do you plan and organize? Research indicates that many business failures could have been avoided through better planning.

Is your drive strong enough to maintain your motivation? Some business owners feel burned out by having to carry all the responsibility on their shoulders. Strong motivation to make the business succeed will help you survive slowdowns as well as periods of burnout.

How will the business affect my family? It can be hard to balance the time required for your business with the demands of family life during the first few years of a business start-up. You may have to adjust to a lower standard of living or put family assets at risk.

For additional things to consider, visit www.sba.gov/starting-business.



Marcia Bethke, owner of Whole Builders Cooperative, was a member of the 2016 Emerging Leaders class.

Writing Your Business Plan

A business plan defines your vision for the future. It takes time, energy and patience to develop a good plan, so why bother? A plan:

- **Gives you a path to follow.** Chart your future by setting goals and defining action steps to guide your business through turbulent economic cycles.
- **Lets your banker in on the action.** By reading the details of your business plan, your lender gains insight into your situation.
- **Provides a way to communicate** your operations, goals, and business philosophy to personnel, suppliers and your other business contacts.
- **Develops you as a manager** by making you construct a clear 'blueprint' of your business venture.

There is no one way to write a business plan, but there are a lot of resources to help you do it. Below are just a few:

- SBA's Webpages - There's a wealth of information waiting for you at www.sba.gov/starting-business/write-your-business-plan.
- SBA's Business Plan Tool provides you with a step-by-step guide to help you get started. All of your information entered into this tool can only be viewed with password you create.

Not only can you save your plan as a PDF file, you can also update it at any time. Check it out at www.sba.gov/tools/business-plan/1?interiorpage2015.



- Get in-person help from our resource partners through classes and one-on-one help. See pages 12 to 21 for information on products and services they offer or go to www.sba.gov/tools/local-assistance/map/state/mn.
- In addition to the in-person help they can offer, SBA's resource partner SCORE has an Online Business Plan Template that you can download at www.score.org/resource/business-plan-template-startup-business.

Choosing a Lender for You

As the owner of a small business, finding a lender that is able to meet your financial needs is essential to your business success. How do you determine which financial institution is right for you, or in some cases, if you are right for the lender? There are several factors small business owners should consider when thinking of establishing a business relationship with your lender.

1. **Assess Your Business Financial Needs.** What credit (loans) and non-credit products and services (deposit accounts, investments, cash management, trust services, letters of credit) does my business need?

Put some thought into what type of financing you will need. Is it for inventory, equipment or real estate? Know how much money you need to borrow and what repayment schedule fits with your business cash flow.

2. **Get References.** Check with other small business owners or people in your industry and find out what their suggestions are. Certain lenders serve niche markets and there may be one that focuses on your industry.
3. **Interview Lenders.** When interviewing lenders, a good starting place is the financial institution where you currently have an account and have a proven track record. Ask whether they have a small business lending department. If not, do they have staff dedicated to serving the needs of small businesses? If you are interested in SBA programs, ask whether the lender makes SBA loans and if it has been designated as a preferred SBA lender.

The SBA provides the preferred lender designation to financial institutions that have been heavily involved in SBA lending. Lastly, describe your product and service needs and ask how the lender can meet those needs. For example, if your business is involved in international trade, does the lender have international service capabilities?

4. **Visit the Lender.** After you have narrowed down your choices, visit the lending institution and discuss your business needs with them. Be prepared. Have a marketing plan and financial data available. In some cases, your business may not fit into the lender's marketing strategy.

Before you get too far into the credit approval process, find out whether the lender thinks it can meet your financial needs based on preliminary information you provide to them.

Don't have a lender in mind? Visit www.sba.gov/tools/linc to connect with one near you.

Ask the lender:

- a. About its credit approval process.
- b. Who will need to approve your loan?
- c. What is the turnaround time on a loan decision?
- d. What type of financial data will you need to provide to them?
- e. What is the financial institution's in-house lending limit?

It is important for you to find out whether the lender is able to structure the financing so that it meets your business' cash flow cycle.

Next, find out about the person you will be dealing with. Are you comfortable with the lender's staff? In many instances, you will need to teach the loan officer about your business. Because of the regulatory environment lending institutions operate in, they must do their "due diligence" in making loan decisions. This requires them to ask you for financial data about you and your business.

Lastly, businesses experience ups and downs. Ask your loan officer how the tough times are handled. Lenders offer a variety of credit and noncredit services to meet the unique financial needs of small business owners. The many products and services offered by financial institutions such as loans, deposit accounts, investments, cash management and international and trust services can assist in furthering your business' goals.

Assessing your needs before choosing a financial institution will ensure you have selected a lender that is best suited to help you meet your financial goals.

Financing Your Business Start-Up

Did you know that more than 80% of new entrepreneurs start their business without any commercial loans? Lenders and investors often prefer to finance a business with a track record and a plan for growth based on experience in the industry. If you are just starting out and need a smaller amount to set up shop and fill your first orders, here are some other options to consider:

- Friends and family members
- Savings
- Credit unions
- City or county economic or community development loan programs
- Personal bank credit
- Informal investors
- Home equity loans

Go to www.sba.gov/starting-business/finance-your-business to learn more.

What to Take to the Lender

Documentation requirements may vary - contact your lender for the information you must supply. Common requirements include the following:

- Business Plan, including the history of the business
- Business organization documents
- Purpose of the loan and amount being requested
- Amount of investment in the business by the owner(s)
- Lease or purchase details
- Franchise documentation for franchise businesses
- Resume(s) of the principal owners and managers, including management skills
- Personal financial statements on the principal owners
- Market research
- Projections of income, expenses and cash flow as well as the assumptions
- Projected opening-day balance sheet (new businesses)
- Financial statements for three years: balance sheet, income statement, cash flow and sources and uses of funds (existing businesses)
- Schedule of term debts (existing businesses)
- Aging of accounts receivable and payable (existing businesses)
- List of collateral

The lender will analyze the application to see if it meets the lender's criteria as well as SBA 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 or provides the microlenders with funds to re-lend to the business. The SBA's business loan programs provide a key source of financing for viable small businesses that have real potential but cannot qualify for loans from traditional sources.

Looking for a Lender?

SBA works with over 400 banks in the state of Minnesota, which is far more than most other states. This means you have many options. Download the Minnesota Lenders List to find a lender near you at <https://www.sba.gov/offices/district/mn/minneapolis/resources/minnesota-lenders-list> or use the SBA Linc tool at www.sba.gov/tools/linc and hear from lenders in 2 business days.

Checklist for Going into Business

- Prepare a comprehensive business plan.
- Read the Guide to Starting a Business in Minnesota from the Minnesota Small Business Assistance Office. <http://mn.gov/deed/newscenter/publications/guidebooks/biz-guidebooks.jsp>.
- Thoroughly estimate your start-up costs. These include: rent, supplies, utilities, insurance, inventory, license/permit fees, legal fees, fixtures and equipment, cash reserves and more.
- Have a record system that will keep track of all of your income and expenses, inventory, payroll records, and tax reports. Have an accountant who will help with your financial statements.
- Insure your business. Some basic types of insurance are: property insurance (includes fire, storm, glass, auto, theft, vandalism), business interruption, liability, workers' compensation, etc...
- Know how to price the goods and services that you sell.
- Identify your suppliers. Have firm agreements with them in place before you start.
- Establish customer payment policies.
- Set up a company bank account that is separate from your personal account.
- Have job descriptions and work policies in place for all employees. Determine benefit packages keeping in mind such things as: payroll tax, health/life insurance, vacation, sick leave, and more.
- Determine the type of business organization for your company - proprietorship, partnership, or corporation. This will have tax and management control consequences.
- Register your business name (if assumed) with the Secretary of State's Office at www.sos.state.mn.us. If you are a corporation, file with the Secretary of State. Partnerships may register with the Secretary of State, but this is not necessary.
- Minnesota businesses will need one or more tax identification numbers. These include the Federal Employer Identification Number, the Minnesota Taxpayer Identification Number, and the Minnesota Unemployment Compensation Employer Identification Number.
- Businesses engaged in making taxable retail sales or providing taxable services will need a Minnesota sales and use tax permit. Go to www.taxes.state.mn.us.
- The state, counties and municipalities of Minnesota may require one or more licenses for your business. For the state, check with the Minnesota Small Business Assistance Office. For the county and city, check with your local government offices about permits and codes .
- Make sure that the location you select for your business is zoned for your type of business.
- Consult the list of Frequently Requested Numbers at the end of the Resource Guide for website and telephone information.

Frequently Asked Questions

Q. I'm told that I need to register my business name with the State of Minnesota. Who do I contact to register my business name?

A. Business names are registered with the Minnesota Secretary of State, Business Services Division. Whether you are filing a certificate of assumed name, the registration of a corporate name, limited liability partnership or limited liability company name, appropriate forms can be downloaded at www.sos.state.mn.us/.

Q. How do I find out if my business will require a business license?

A. The State of Minnesota's website has an online directory of [business licenses requirements](#). In addition to the licensing requirements imposed by the state, some local governments also require certain kinds of business activity to be licensed on the local level. Contact your city clerk for local license information as well.

Q. Where do I get a federal and state tax identification number?

A. For a tax identification number with the State of Minnesota, download Form ABR at the Department of Revenue at website: www.taxes.state.mn.us. To order Form ABR via telephone, call (651) 296-4444 and use their automated voice system. If you already have a tax identification number and have had business changes, notify the State of Minnesota by calling (651) 282-5225. The Federal Employer Identification Number (EIN) can be obtained here www.irs.gov/businesses.

Q. I need to find out about SBA's loan program. Do I go directly to SBA?

A. It is recommended that you meet with a potential lender first, and once the lender agrees to become involved, it is the lender that submits a completed loan application to SBA. Keep in mind, that it is the lender's decision to apply for the SBA loan guaranty. If the lender is willing to lend to you without SBA involvement, the SBA won't be involved.

Q. I need to talk with someone about getting a loan. Who can help me?

A. SBA has many resource partners that will counsel you on a one-on-one basis. Most are available at no cost to individuals. Read about the different programs and their locations in our Business Counseling and Training section of this guide starting on page 12.

Q. I am currently exporting my product but need information about tariffs and taxing. Who can I talk to?

A. The Department of Commerce-Commercial Service can help any business with questions about costs involved in exporting. Call (612) 348-1638 or visit www.exportassistance.com.

Q. My friend and I have an idea about starting a business. We do not know what's involved in getting started and just want to find out what steps we need to take to get the business up and running. At this point, we don't even know what questions to ask. What would you suggest?

A. If you are exploring the idea of starting a business, we suggest you attend one of our *Steps for Start Ups* or SCORE's *Going into Business* workshops. These workshops give an overview of the key areas that must be addressed in starting a business. Visit these website at www.sba.gov/mn or www.score-mn.org to find a workshop near you.

Q. How can I get a copy of the "Guide to Starting a Business in Minnesota"?

A. Order the guidebook online at the Minnesota Small Business Assistance Office: <http://mn.gov/deed/newscenter/publications/guidebooks/biz-guidebooks.jsp> or call the DEED automated voice-mail publication order line at (651) 556-8425.

Q. Where can I obtain information about importing?

A. To learn about importing your products or services call Midwest Global Trade Association (MGTA) at (651) 917-6257, www.mgta.org and US. Department of Customs at (612) 348-1690, www.cbp.gov.

Q. I've heard SBA has a grant program for people that want to start a small business, but I can't find any information about the grants. Where do I look?

A. The SBA does not offer grants to start or expand small businesses. The SBA's grant programs generally support non-profit organizations, intermediary lending institutions, and state and local governments in an effort to expand and enhance small business technical and financial assistance. For more information on any non-profit organization grant programs go to SBA's website at www.sba.gov/category/navigation-structure/loans-grants/grants.

Q. We want to sell our products or services to the state or federal government. Who can help me achieve this goal?

A. In Minnesota your first contact should be with the Meda Procurement Technical Assistance Center (PTAC) at www.mnptac.org.

PTAC's mission is to strengthen Minnesota's economy by stimulating job creation, growth, and business retention. To accomplish this goal, they assist businesses in securing government contracts.

The SBA also works to help small businesses get government contracts through the 8(a) Business Development Program. See page 33 - 35 for details.

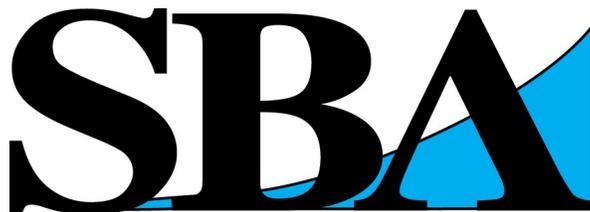
Frequently Requested Contact Information

Federal Agencies		
Commerce/Export	www.exportassistance.com	612-348-1638
Copyright - Library of Congress	www.copyright.gov	877-476-0778
Customs	www.cbp.gov/trade	877-227-5511
IRS	www.irs.gov	800-829-4933
Labor - Wage & Hour Division	www.dol.gov	612-370-3341
Occupational Safety & Health	www.osha.gov	800-321-6742
Patent & Trademark	www.uspto.gov	800-786-9199
Small Business Administration	www.sba.gov/mn	612-370-2324
State Agencies		
Commerce - Licensing/Franchise	www.commerce.state.mn.us	800-657-3602
Labor and Industry	www.doli.state.mn.us	800-342-5354
Pollution Control	www.pca.state.mn.us	800-657-3864
Secretary of State	www.sos.state.mn.us	877-551-6767
Small Business Assistance	www.mnsbao.com	800-310-8323
Taxes	www.taxes.state.mn.us	800-657-3777
Tax - Sales & Use Tax Hotline	www.revenue.state.mn.us/ businesses/	800-657-3777
Withholding Tax Number	www.revenue.state.mn.us/ businesses/	800-657-3594

Local Offices		
Cities, Counties, Townships, etc	http://mn.gov/portal/government/local/	
Other Numbers		
African Development Center	www.adcminnesota.org	612-333-4772
Better Business Bureau	www.bbb.org	651-699-1111
Insurance Helpline	www.insurancefederation.org	763-657-8690
Inventor's Network	www.inventorsnetwork.org/	
James J. Hill Reference Library	www.jhill.org	651-265-5500
Lawyer Database	www.mnbar.org/member-directory/ find-a-lawyer	800-882-6722
LegalCORPS	www.legalcorps.org	888-454-5267
Meda	www.meda.net	612-332-6332
Minnesota Society of Certified Public Accountants	www.mncpa.org	800-331-4288
Northeast Entrepreneur Fund	www.entrepreneurfund.org	800-422-0374
Procurement Technical Assistance Center (PTAC)	www.mnptac.org	612-259-6565
Score Offices	www.score-mn.org	See Page 15 for local offices
SBDC State Office	http://mn.gov/deed/business/help/ sbdc	651-259-7423 See page 17 for local offices
Small Business Innovative Research	www.mhta.org/mnsbir/	952-230-4540
Tax Help	http://prepareandprosper.org/	651-287-0187
Veterans Assistance	www.wbdc.org/veterans-services/	312-853-3477
Women's Business Centers	www.wbdc.org/mn	612-259-6584

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**You're in business
for yourself,
but you don't have to be in
business by yourself.**



U.S. Small Business Administration

*Here to help your business
start, grow and succeed.*
