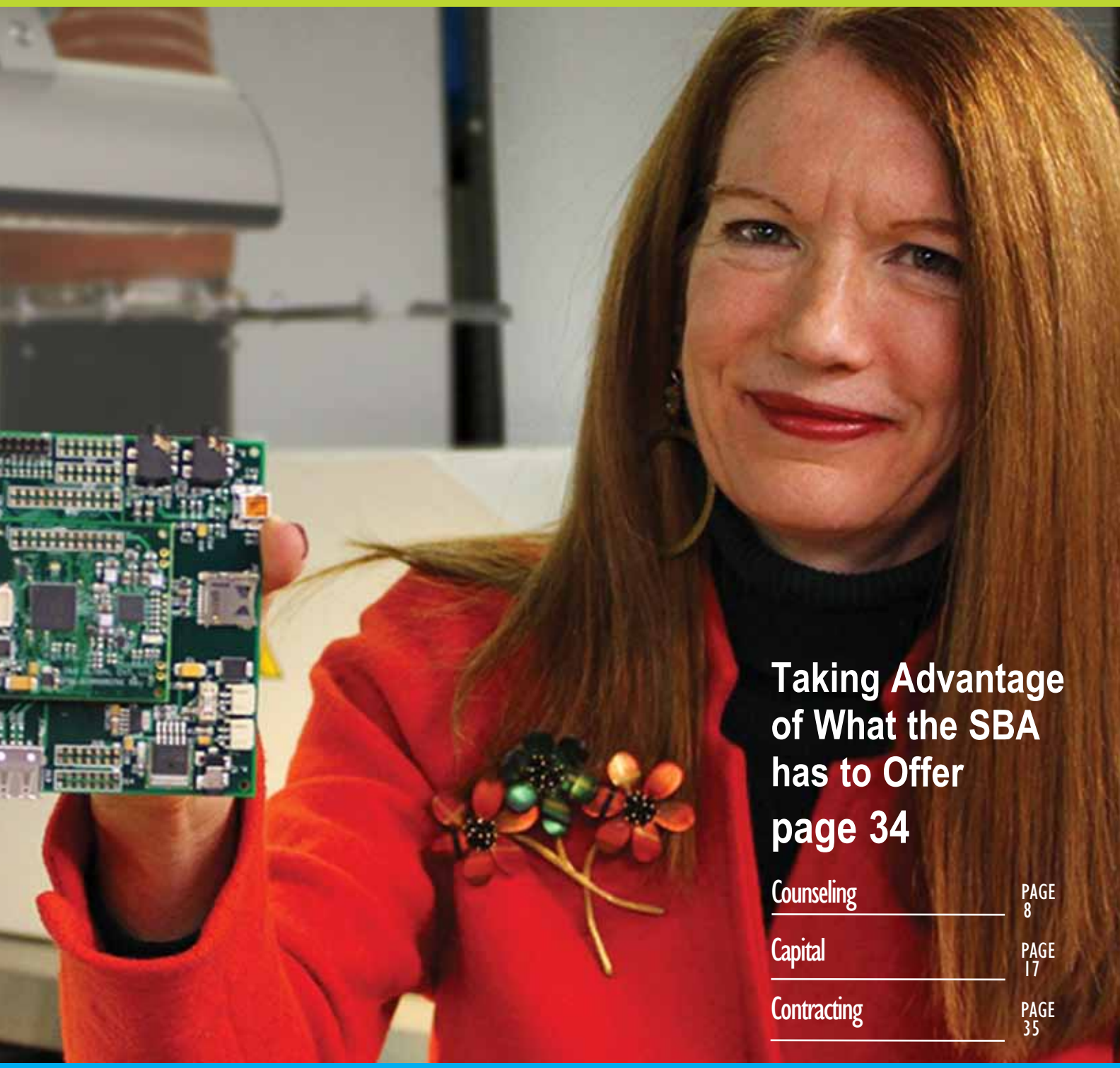
MISSISSIPPI
2013-2014

SBA

U.S. Small Business Administration

# SMALL BUSINESS RESOURCE



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SMALL BUSINESS

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2013-2014 MISSISSIPPI

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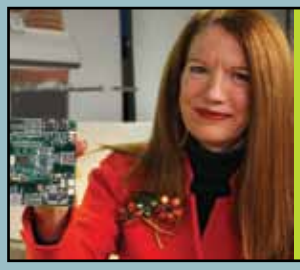

*On the Cover: Deb Hamedi, owner of Electro-Connect Incorporated, holds a computer On Module that her company manufactures.*


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# THREE RIVERS LOCAL DEVELOPMENT CO., INC.

MISSISSIPPI'S OLDEST AND LARGEST CERTIFIED DEVELOPMENT COMPANY • CHARTERED JUNE 18, 1985

## *Let Us Help You Grow Your Small Business with Long-Term Small Business Financing*

## SBA 504 Loans Equal Fixed Asset Financing for Small Business Expansion

- *Purchase land and construct new buildings*
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Vernon R. Kelley, III – Executive Director
Mitch Montgomery – Loan Division Director
Matt Koon – Loan Officer

75 S. Main Street • P.O. Drawer 690
Pontotoc, MS 38863
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# FROM THE ADMINISTRATOR

At SBA we are focused on making sure entrepreneurs and small business owners are able to take advantage of the tools, resources and programs that we offer. The country's 28 million small firms today create two out of every three private sector jobs. And it is our mission to make sure we are helping as many of those small businesses as possible to grow and create jobs.

This year we had our second consecutive record year of delivering more than $30 billion in loan guarantees. We also counseled over one million current and aspiring entrepreneurs, assisted families and businesses affected by Hurricane Sandy through our disaster operation, and worked across the federal government to drive approximately $100 billion in government contracts into the hands of small businesses.

But we also know there are more entrepreneurs and small businesses out there that could use our help. I hope that this guide allows some of the small businesses we have not yet reached to take advantage of the tools we offer at SBA. I am confident that we have something to offer, or some way to assist each and every small business owner across the country.

We have worked hard over the past three years to streamline and simplify our programs so we can better serve the small business community. And we are proud of the improved, efficient programs and initiatives that have resulted. We are now shifting our focus to make sure that all small businesses and entrepreneurs can benefit from the tools and resources we have available.

I encourage anyone who is interested in starting a business or who currently owns a small business to immediately contact their local SBA District Office and find out which of SBA's programs and resources can help your company grow and create jobs. Or, check out our wide range of tools on SBA.gov and find local SBA resources in your area.

Sincerely,

Karen G. Mills

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

## About the SBA

**www.sba.gov**

***Your Small Business Resource***

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

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

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

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

***Visit SBA online at www.sba.gov for 24/7 access to small business news, information and training for entrepreneurs.***

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

# FROM THE REGIONAL ADMINISTRATOR

## Message From The Region IV Regional Administrator Cassius Butts

As Regional Administrator for Region IV of the U.S. Small Business Administration, my role is to be the eyes and ears for small business in the Southeast. I travel the region widely and visit with many entrepreneurial success stories and I also learn the challenges that many business owners face. We work together as a team at SBA to assist aspiring and existing small business owners every day to reach their goals; whether it is to start a new small business or grow an existing business.

Small business is dear to my heart as I come from a family of entrepreneurs. At times, it wasn't easy; but I remember them telling me that it was always rewarding. I continue to be impressed with the resiliency of small business owners who go to work day in and day out, overcoming challenges and making ends meet.

Small businesses are the engine of our economy. Across the country, more than half of employed Americans either own or work for a small business.

At last count, the state of Mississippi had over 240,000 small businesses/ self-employed making significant contributions to the state's economy, and bringing innovative products and services to the marketplace.

I believe it is our entrepreneurs and small business owners that drive America's ability to innovate and stay competitive across the globe.

We know the obstacles that entrepreneurs face and salute your courage and creativity.

We wish you entrepreneurial success!

**Cassius Butts**
***Regional Administrator***
***Region IV***
***U.S. Small Business Administration***

# MISSISSIPPI
## SBA Staff Listing

**www.sba.gov/ms**

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**Conner, Joyce M.**
Business Opportunity Specialist
Ext. 13

**Dean, Debbie W.**
Lender Relations Specialist
Ext. 11

**Doss, Alice A.**
Supervisory Business Opportunity Specialist
Ext. 14

**Fisher, Rhonda H.**
Supervisory Lender Relations Specialist
Ext. 15

**Harris, Rosetta G.**
Lender Relations Specialist
Ext. 18

**McClendon, James E.**
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**Melton, Penney**
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**Sanford, Jeremy**
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BRANCH FAX:
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Ext. 223

**Johnson-Fells, Bridget D.**
Economic Development Specialist/PIO
Ext. 225

**SCORE-Gulf Coast Chapter**
228-863-0054

## DID YOU KNOW?

The SBA Mississippi District and Gulfport Branch Offices serve the state with a wide variety of small business programs and services. Federal fiscal year (FY) 2012 was a strong lending year for Mississippi in terms of guaranty loan dollars. A total of 442 loans were guaranteed totaling almost $133 million through SBA's 7(a) guaranty loan program and the 504 guaranty loan program which served to provide much needed capital for small business start-up and expansion. Furthermore, according to the Federal Procurement Data System – Next Generation, more than $412.5 million in federal government contract dollars were awarded to Mississippi small businesses; $93.9 million to 8(a) firms; $141 million to HUBZone firms; $57.8 million to women-owned businesses; $147.8 million to small disadvantaged businesses; $95.9 million to veterans; and $71.5 million to service-disabled veterans. The SBA district and branch offices, together with our resource partners, provided management and technical assistance, counseling and training to over 8,000 entrepreneurs.

## *Message From The District Director*

# Rules For Success

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

Our 2013-2014 edition of the Mississippi Small Business Resource Guide provides a wealth of information on SBA's vast array of credit and non-credit programs and services. This publication gives needed information and direction for start-up entrepreneurs, existing small business owners, and those people who are contemplating one day to become their own boss. Through the years, this guide has been used as a go-to quick ready-reference to search for information on programs and services available in Mississippi to help small businesses get started, grow, and succeed.

The guide contains information on the 3 Cs – Counseling, Capital and Contracts. You'll learn about SBA's business loans, venture capital, surety bonds, certifications, and federal government contracting programs, along with disaster assistance and other vital information. You'll also find a comprehensive listing of SBA's primary resource partners – including among others – the Mississippi Network of Small Business Development Centers (MSBDC) and Business Assistance Centers; SCORE; and our MACE Women's Business Center (WBC) – all which expertly provide free and confidential counseling, training, management and technical assistance to individuals, entrepreneurs, and small businesses throughout Mississippi. Furthermore, the guide contains contact information on state agencies, chambers of commerce, economic development organizations, in and out-of-state bank and non-bank active SBA lending partners, and other small business advocates throughout our state with whom SBA collaborates.

As always, we thank RENI Publishing for their continued partnership in producing the guide and especially thank the advertisers appearing in this resource guide. It is through the advertisers' participation and support that this publication is made available to the Mississippi small business community – free of charge.

I invite you to read this guide, refer to it often, even share it with other entrepreneurs and small businesses so that you and they may take full advantage of SBA's finance, entrepreneurial development, certifications and federal government contracting programs, etc., which have been designed with you, the small business owner, in mind.

For further information on SBA programs and services, conferences, workshops and seminars, free newsletters, as well as other initiatives affecting small businesses locally and nationally, please visit our website at www.sba.gov and www.sba.gov/ms or call and/or visit our Mississippi District or Gulfport Branch Offices. Also follow SBA at YouTube, Facebook and Twitter.

Remember that in our continuous journey of "supporting the formation, growth, prosperity and viability of Mississippi's small businesses," we are here to serve you! We want to help you – as an entrepreneur or a small business – make your dreams come true. SBA – Your Small Business Resource!

**Sincerely,**

*Janita R. Stewart*

**Janita R. Stewart**
*District Director of*
*SBA's Mississippi District Office*

# Doing Business in Mississippi

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

## THE MISSISSIPPI DISTRICT OFFICE

The Mississippi District Office is responsible for the delivery of SBA's many programs and services in 70 Mississippi counties. The District Director is Janita R. Stewart. The District Office is located at Regions Bank Plaza, 210 E. Capitol Street, Suite 900, Jackson, MS 39201. Office hours are from 8:30 AM until 4:30 PM, Monday through Friday, excluding federal holidays.

## THE GULFPORT BRANCH OFFICE

The Gulfport Branch Office is responsible for the delivery of SBA's many programs and services in the southern-most counties of the state including Forrest, George, Greene, Harrison, Hancock, Jackson, Jones, Lamar, Pearl River, Perry, Stone, and Wayne. The Branch Manager is Gary K. Reed. The Branch Office is located at One Hancock Plaza, 2510 14th Street, Suite 103, Gulfport, MS 39501. Office hours are from 8:00 AM until 4:30 PM, Monday through Friday, excluding federal holidays.

## SERVICES AVAILABLE

Financial assistance for new or existing businesses through guaranteed loans made by area bank and non-bank lenders and long-term fixed asset financing coordinated through SBA's certified development companies.

Free and confidential counseling, advice and information on starting, better operating or expanding a small business through (SCORE), Small Business Development Centers (SBDC) and the Women's Business Center (WBC). They also conduct training events throughout the state - some require a nominal registration fee.

Assistance to businesses owned and controlled by socially and economically disadvantaged individuals through the Business Development Program.

A Women's Business Ownership Representative is available to assist women business owners. Please contact Bridget Johnson-Fells at 228-863-4449 ext. 225 or email: bridget.johnson@sba.gov.

Special loan programs are available for businesses involved in international trade.

A Veterans Affairs Officer is available to assist veterans. Please contact James McClendon at 601-965-4378 ext. 19 or e-mail: james.mcclendon@sba.gov.

## We Welcome Your Questions

For extra copies of this publication or questions please contact:

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Regions Plaza
210 E. Capitol Street, Suite 900
Jackson, MS 39201

Tel: 601-965-4378
Fax: 601-965-5629 or 601-965-4295
TDD: 800-877-8339

Website: www.sba.gov/ms

## SUCCESS STORY

### Sean and Crystal Westmoreland Recipient of the 2012 Mississippi SBA Jeffrey Butland Family-Owned Business Award

PASCAGOULA, MS. – Dixie Glass is owned by Sean and Crystal Westmoreland a husband-and-wife team. Dixie Glass is a generational family owned business since the 1970's.

Joe Westmoreland Sr. owned Westmoreland glass in Tupelo MS. from the 1970's to the 1990's. Joe Westmoreland Jr., decided to carry on in the family trade and moved to the MS Gulf Coast where he opened Westmoreland Glass which eventually merged with Dixie Glass in Pascagoula, MS. "It's really a family tradition, I'm a third generation in glass and glazing", said Sean Westmoreland. My grandfather (Joe Westmoreland Sr.) owned Westmoreland Glass in Tupelo, Miss.
"We want Dixie Glass to become a common name throughout the Gulf Coast, like it was in the '70s and '80s," Sean Westmoreland said. "Everyone knew who Dixie Glass was." Dixie Glass opened in 1946 offering automotive, residential, commercial and industrial glass services and marine glazing the business has since passed through multiple owners.

The late Joe Westmoreland Jr., Sean Westmoreland's father, took over the company in 1995. He died in 2008, and the couple purchased the business. Sean Westmoreland had already been working in the shop for 20 years, so now he can do "pretty much anything," Crystal Westmoreland said. They are seeing strength in the auto glass and industrial segments of the business. "We do a lot of work for Signal International, Chevron and VT Halter Marine," he said. "We do equipment glass, specialty boat glass, electrically heated glass, heavy equipment windshields and a lot more." About 250 vehicles pull into the Pascagoula shop for new windshields every month, he said.
"We've become very competitive over the last two years with our pricing structure," Crystal Westmoreland said. "We're pretty booked up now. But there are definitely several glass companies in the area, which keeps us on our toes and makes sure that we always offer the highest quality and most competitive pricing."

Dixie Glass is also becoming a bigger name in Harrison County, where the company's auto glass and commercial services are active. "There's a high demand for us definitely here in Pascagoula, but also in Biloxi and Gulfport," she said. "We can't really be competitive in that market until we get closer." "We're about to expand to Ocean Springs," she said.

There is some residential work to be had in Harrison County, but the market remains strained. "The housing market has infiltrated the residential sector of our company, and its down," he said. "I don't know if that will ever go back up. Hopefully, though, this will increase our presence in Harrison County." The Pascagoula shop employs eight, and the couple hopes to add at least 2 new workers with the second location. The Westmoreland's' 15-year goal, they said, is to branch out into Gulfport, Hurley and possibly Lucedale.

To achieve this goal The Westmoreland's turned to SCORE for counseling. They began working with Dave Philo, a counselor with the Gulfport SCORE Chapter.

continued on page 12

# COUNSELING

## Getting Help to Start Up, Market and Manage Your Business

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

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

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

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

## SBA'S RESOURCE PARTNERS

In addition to our district offices which serve every state and territory, the SBA works with a variety of local resource partners to meet your small business needs: SCORE chapters, Small Business Development Centers (SBDCs), and Women's Business Centers (WBCs). This partner network reaches into communities across America: More than 13,000 business counselors, mentors and trainers available through over 900 Small Business Development Centers, 110 Womens' Business Centers and 350 SCORE chapters. These professionals can help with writing a formal business plan, locating sources of financial assistance, managing and expanding your business, finding opportunities to sell your goods or services to the government, and recovering from disaster. To find your local district office or SBA resource partner, visit **www.sba.gov/sba-direct**.

## SCORE

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

Found in more than 350 offices and 800 locations throughout the country, SCORE provides key services – both face-to-face and online – to busy entrepreneurs who are just getting started or in need of a seasoned business professional as a sounding board for their existing business. As members of your community, SCORE mentors understand local business licensing rules, economic conditions and important networks. SCORE can help you as they have done for more than 10 million clients by:

- Matching your specific needs with a business mentor
- Traveling to your place of business for an on-site evaluation
- Teaming with several SCORE mentors to provide you with tailored assistance in a number of business areas

Across the country, SCORE offers more than 10,000 local business training workshops and seminars ranging in topic and scope depending on the needs of the local business community such as offering an introduction to the fundamentals of a business plan, managing cash flow and marketing your business. For established businesses, SCORE offers more in-depth training in areas like customer service, hiring practices and home-based businesses.

For around-the-clock business advice and information on the latest trends go to the SCORE website (**www.score.org**). More than 1,200 online mentors with over 800 business skill sets answer your questions about starting and running a business. In fiscal year 2012, SCORE mentors served 460,000 entrepreneurs.

For information on SCORE and to get your own business mentor, visit **www.sba.gov/score**, go to **www.SCORE.org** or call 1-800-634-0245 for the SCORE office nearest you.

### ON THE UPSIDE

*It's true, there are a lot of reasons not to start your own business. But for the right person, the advantages of business ownership far outweigh the risks.*

- You get to be your own boss.
- Hard work and long hours directly benefit you, rather than increasing profits for someone else.
- Earnings and growth potential are unlimited.
- Running a business will provide endless variety, challenge and opportunities to learn.

**Gulf Coast SCORE Chapter**
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## MISSISSIPPI SMALL BUSINESS DEVELOPMENT CENTERS (MSBDC)

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

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

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

The program combines a unique combination of federal, state and private sector resources to provide, in every state and territory, the foundation for the economic growth of small businesses. The return on investment is demonstrated by the program's success during 2012

- Assisted more than 14,300 entrepreneurs to start new businesses – equating to nearly 40 new business starts per day.
- Provided counseling services to more than 111,000 emerging entrepreneurs and over 101,000 existing businesses.
- Provided training services to approximately 332,000 clients.

The efficacy of the MSBDC program has been validated by a nationwide impact study. Of the clients surveyed, more than 80 percent reported that the business assistance they received from the MSBDC counselor was worthwhile. Similarly, more than 70 percent reported that MSBDC guidance was beneficial in making the decision to start a business. More than 40 percent of long-term clients, those receiving five hours or more of counseling, reported an increase in sales and 38 percent reported an increase in profit margins.

For information on the SBDC program, visit **www.sba.gov/sbdc**.

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**MSBDC Business Assistance Center @ East Central Community College – Louisville**
(By appointment)
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923 S. Church St.
Louisville, MS 39339
601-635-6296 appointment
662-773-2292 or 662-773-2726 (directions)

**MSBDC Business Assistance Center @ East Central Community College – Carthage**
(By appointment)
Carthage Career Advancement Center
121 W. Main St.
Carthage, MS 39051
601-635-6296 appointment
601- 298-0723 or 601-298-0724
(directions)

**MSBDC @ The University of Mississippi – Gulf Coast**
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www.hindscc.edu:80/Departments/economic_development/Small_Biz.aspx

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662-915-5001 • 662-915-5650 Fax

## Business Incubators

Business incubators nurture young firms, helping them survive and grow during the start-up period, by offering shared office services, access to equipment, flexible leases, and expandable space all under one roof. Incubators also provide hands-on management assistance, access to financing and orchestrated exposure to critical business or technical support services. Some incubators accept a mix of industries, while others concentrate on industry niches. According to the National Business Incubation Association, incubators fall into classifications of Technology, Manufacturing, Service or Sectorally Targeted (i.e. - biomedical, wood products, arts, food production, fashion, etc.).

**Alcorn State University Technology Incubator**
101 N. Wall St./P.O. Box 982
Natchez, MS 39121
Brent Bourland, Manager
601-442-0202
bourland@imagezinc.com

**Coahoma County Business Development Center**
P.O. Box 160
Clarksdale, MS 38614
Tana Vassell, Manager
662-627-7337 • 662-627-1313 Fax
tanapvassel@clarksdale-ms.com

**Golden Triangle Enterprise Center**
1 Research Blvd., Ste. 204
Starkville, MS 39759
Jon Maynard, Manager
662-323-3322
www.gtec.org

**Jackson County Small Business Incubator**
4836 Main St.
Moss Point, MS 39563
Janice Mabry, Director
228-475-3341
smallbusinessincubator@gmail.com

**Kemper County Industrial Incubator Center, Inc.**
102 Industrial Park Dr.
DeKalb, MS 39328
Brian Henson, Executive Director
601-743-2754 • 601-743-2760 Fax
kceda@bellsouth.net

**Mississippi e-Business Innovation Center**
1230 Raymond Rd.
Jackson, MS 39204
Dr. William McHenry
Executive Director of the MS e-Center@JSU
601-979-1246
www.msecenter.com/business_center/index.html

**Mississippi Enterprise for Technology**
Bldg. 1103, Ste. 143
Stennis Space Center, MS 39529
Charles E. Beasley, Technology Incubation Manager
228-688-2083 • 228-688-1064 Fax
www.mset.org

**Neshoba Business Enterprise Center**
1016 Saxon-Airport Rd.
Philadelphia, MS 39350
David Vowell, President, Community Development Partnership
601-389-0803
dvowell@bellsouth.net
www.neshoba.org

**Northeast Mississippi Business Incubation System**
Corinth Facility
1828 Proper St.
Corinth, MS 38834
Ray McClellan, Executive Director
662-287-4369 • 662-287-1214 Fax
nembis@att.net

**Northeast Mississippi Business Incubation System**
Iuka Facility
2021 Seago Rd.
Iuka, MS 38852
Ray McClellan, Executive Director
662-287-4369 • 662-287-1214 Fax
nembis@att.net

**Northeast Mississippi Business Incubation System**
Ripley Facility
401 CR 565
Ripley, MS 38663
Ray McClellan, Executive Director
662-287-4369 • 662-287-1214 Fax
nembis@att.net

**NorthMiss Enterprise Initiative**
Oxford Enterprise Center
9 Industrial Park Dr., Ste. 104
Oxford, MS 38655-5343
Holly Kelly, Executive Director
662-281-0720 • 662-561-0790 Fax
holly@northmiss.org
www.northmiss.org

**NorthMiss Enterprise Initiative**
Batesville Enterprise Center
275 Nosef Dr.
Batesville, MS 38606-2729
Holly Kelly, Executive Director
662-281-0720 • 662-561-0790 Fax
holly@northmiss.org
www.northmiss.org

**NorthMiss Enterprise Initiative**
Grenada Enterprise Center
500 Enterprise Dr.
Grenada, MS 38901-9544
Holly Kelly, Executive Director
662-281-0720 • 662-561-0790 Fax
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www.northmiss.org

**Renasant Center for IDEAs**
Tupelo/Lee County Regional Business Incubator
308 E. Main St.
Tupelo, MS 38804
Wayne Averett, Manager
662-823-IDEA • 662-823-7234 Fax
www.renasantcenterforideas.com

**The Innovation Center**
1636 Popps Ferry Rd.
Biloxi, MS 39532
Stephen Whitt, Executive Director
228-392-9741 • 228-392-9743 Fax
stephen@innovatems.com
www.innovatems.com

**Winston County Economic Development District**
P.O. Box 551
Louisville, MS 39339
Gerald Mills, Executive Director
Vacant, Manager
662-773-8719 • 662-773-8909 Fax
martha@winstoncounty.com
www.winstoncounty.com

## WOMEN'S BUSINESS CENTERS

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

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

WBCs often deliver their services through long-term training or group counseling, both of which have shown to be effective. WBC training courses are often free or are offered at a small fee. Some centers will also offer scholarships based on the client's needs.

While most WBCs are physically located in one designated location, a number of WBCs also provide courses and counseling via the Internet, mobile classrooms and satellite locations. WBCs have a track record of success. In fiscal year 2012, the WBC program counseled and trained over 136,000 clients, creating local economic growth and vitality. In addition, WBCs helped entrepreneurs access more than $40 million dollars in capital. Based on a 2010 Impact Study, of the WBC clients that have received three or more hours of counseling, 15 percent indicated that the services led to hiring new staff, 34 percent indicated that the services led to an increased profit margin, and 47 percent indicated that the services led to an increase in sales.

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

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

**Mississippi Action for Community Education, Inc. (MACE) Women's Business Center**
William M. Brown, Director
119 S. Theobald St.
Greenville, MS 38701
662-335-3523 • 662-580-1017 Fax
www.deltamace.org

## EMERGING LEADERS INITIATIVE

The SBA's Emerging Leaders Initiative is currently hosted in 27 markets across the country using a

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

Post-training, economic impact results from responding executives from the 2009 – 2011 cohorts indicate:

- Significant revenue growth with respondents averaging $1.8M year-to-year increases (67 percent increase in annual revenue on average).
- Creation of 908 new full time positions; an average job creation rate of 1.9 jobs per business.
- Nearly half of the participants secured federal, state, local and tribal contracts with a cumulative total of $330 million. This figure has increased each year since the initiative's inception.
- Respondents accessed $26,381,044 in new financing (excluding lines of credit) since graduating the program and implementing their growth plans, a 27 percent increase compared to the previous year.

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

## SBA'S ONLINE TOOLS AND TRAINING

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

**Key Features of the SBA's Online Learning Center:**

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

- More than 30 free online courses and workshops available.
- Templates and samples to get your business planning underway.
- Online, interactive assessment tools are featured and used to direct clients to appropriate training.

Course topics include tutorials on writing a business plan, financing strategies that include SBA lending programs, mastering overseas markets through exporting, public sector procurement tactics, and

specialty material for veterans, young entrepreneurs, and women business owners. This robust portal also includes video content, e-books, templates and articles.

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

## SBA'S CLUSTER INITIATIVE

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

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

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

SUCCESS STORY

## Sean & Crystal Westmoreland

continued from page 7

SCORE is composed of 13,000 active and retired volunteer business professionals belonging to 348 chapters with 500+ skills. SCORE is a nonprofit association dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship and has been doing so for nearly 50 years.

Sean and Chrystal Westmoreland received the Mississippi SBA's 2011 Jeffrey Butland Family-Owned Small Business Award during the Mississippi SBA Award Reception in Biloxi, MS on June 28, 2012. The award is given to a family-owned and operated business that has been passed on from one generation to another. The owner must have served as a majority owner and operator or principal responsibility for operating a small business with at least a 15-year track record.

For information regarding SBA's programs and services or small business awards, contact the Mississippi District Office at 601-965-4378, Gulfport Branch Office at 228-863-4449 or visit our website at www.sba.gov/ms.

Jeffrey–Butland Family Owned Business
Dixie Glass
Sean & Crystal Westmoreland
2232 Market Street
Pascagoula, MS
228-762-5922
chrystal@dixieglass.com

# REACHING UNDERSERVED COMMUNITIES

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

## WOMEN BUSINESS OWNERS

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

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

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

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

### SBA Services to Help Women Succeed in Business

The Women's Network for Entrepreneurial Training (WNET) Program - WNET, a program of the SBA's Office of Women's Business Ownership, provides networking opportunities through the WNET Round-tables. These gatherings allow participants to share their experiences, and receive practical support and guidance from a wide range of knowledgeable business counselors in an informal setting. Women entrepreneurs can use this medium to attain a wealth of expert knowledge that can make the difference between success and failure.

### Mississippi Women's Business Centers

The Mississippi Action for Community Education, Inc. (MACE) offers to the Delta region, the Mid-Delta Women's Entrepreneurial Training and Technical Assistance Program (WE-TAP). The program is designed to create an alternative and non-traditional means of economic support for low-income women in rural Mississippi through a hands-on approach to business counseling services, long-term training and technical assistance. Since 1967, MACE has been in the forefront of economic development initiatives in the Delta by utilizing and building on the human resource potential of Delta residents.

**Mississippi Action for Community Education, Inc. Women's Business Center**

William M. Brown, Director
119 S. Theobald St.
Greenville, MS 38701
662-335-3523 • 662-580-1017 Fax
macesbawbe@deltamace.org

### Online Women's Business Center

The SBA also makes available the Online Women's Business Center which offers resources via the Internet for those unable to utilize the services of the Women's Business Center. Visit the Online Women's Business Center at: www.sba.gov/wbc

## VETERAN BUSINESS OWNERS

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

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

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

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

## VETERANS BUSINESS OUTREACH CENTERS

The Veterans Business Outreach Program (VBOP) is designed to provide entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business. The SBA has 15 organizations participating in this cooperative agreement and serving as Veterans Business Outreach Centers (VBOC) across the country.

# REACHING UNDERSERVED COMMUNITIES

Services provided by VBOC's include: Pre-Business Plan Workshops, Concept Assessments, Business Plan Preparations, Comprehensive Feasibility Analysis, Entrepreneurial Training and Counseling, Mentorship, and other business-development related services.

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

## VETERANS AND RESERVISTS BUSINESS DEVELOPMENT

Veterans, service-disabled veterans and Reserve and National Guard member entrepreneurs receive special consideration in some of SBA's entrepreneurial programs and resources. Each year, the Office of Veterans Business Development (OVBD) reaches thousands of veterans, Reserve Component members, transitioning service members and others who are – or who want to become – entrepreneurs and small business owners. OVBD develops and distributes informational materials for entrepreneurship such as, Getting Veterans Back to Business, Balancing Business with Deployment. In addition, there are 15 Veterans Business Outreach Centers strategically located throughout the country that provide both online and in-person training, counseling, mentoring, workshops, referrals, and more. Each of the SBA's 68 District Offices also has a designated veteran's business development officer (**www.sba.gov/districtoffices**).

Among the SBA's unique services for veterans are programs such as, Boots to Business; Entrepreneurship Boot Camp for Veterans with Disabilities; VWISE; and Operation Endure and Grow. For more information about these programs, please visit **www.sba.gov/vets**.

## NATIONAL BOOTS TO BUSINESS INITIATIVE

The aptly named Operation Boots to Business program (B2B) builds on SBA's role as a national leader in entrepreneurship training. B2B aims to provide exposure to entrepreneurship to the 250,000 service members who transition from the military each year. The B2B two-day Entrepreneurship Training is an optional track in the Department of State's revitalized Transition Goals, Plans and Success (GPS) program -- formerly called Transition Assistance Program/TAP -- and is conducted on military installations. Through B2B, SBA's extensive network of resource partners will collaboratively deliver face-to-face introductory entrepreneurship training, developed in collaboration with Syracuse University's Institute for Veterans and Military Families (IVMF). For those service members who complete the two-day B2B class and are interested in more detailed and intensive training, SBA offers a continuation of B2B via an 8-week online business plan training course. The 8-week online curriculum was also developed in collaboration with and is delivered by IVMF. Of course, counselors and mentors from SBA's resource partner network remain available to work with service members throughout B2B and thereafter as these service members start and grow their businesses.

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

## CENTER FOR FAITH-BASED AND NEIGHBORHOOD PARTNERSHIPS

Faith-Based and Neighborhood organizations know their communities, and they have earned the trust of the communities they serve. As a result, they are uniquely positioned to build awareness of programs that encourage entrepreneurship, economic growth and job creation.

The SBA is committed to reaching out to faith-based and community organizations to enlist their support in informing their congregants, members and neighbors about SBA's programs. In particular, faith-based and community non-profit organizations can provide a local financing option for entrepreneurs by becoming SBA Microloan Intermediaries. An SBA Microloan Intermediary often acts as a bank for entrepreneurs and small businesses that might otherwise be unable to access capital.

## NATIVE AMERICAN BUSINESS DEVELOPMENT

The SBA Office of Native American Affairs (ONAA) ensures American Indians, Alaska Natives and Native Hawaiians seeking to create, develop and expand small businesses have full access to the necessary business development and expansion tools available through the agency's entrepreneurial development, lending, and contracting programs.

The office provides a network of training (including the online tool "Small Business Primer: Strategies for Growth"), initiatives that include a Native American Entrepreneurial Empowerment Workshop and Native American Emerging Leaders (formerly e200). ONAA also is responsible for consulting with tribal governments prior to finalizing SBA policies that may have tribal implications.

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

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

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

## IS ENTREPRENEURSHIP FOR YOU?

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

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

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

## FRANCHISING

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

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

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

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

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

## HOME-BASED BUSINESSES

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

### Getting Started

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

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

***Ask yourself these questions:***

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

### Legal Requirements

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

***Some general areas include:***

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

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

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

# WRITING A BUSINESS PLAN

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

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

**In general, a good business plan contains:**

## Introduction

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

## Marketing

- Discuss the products and services your company will offer.
- Identify customer demand for your products and services.
- Identify your market, its size and locations.
- Explain how your products and services will be advertised and marketed.
- Explain your pricing strategy.

## Financial Management

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

## Operations

- Explain how the business will be managed day-to-day.
- Discuss hiring and personnel procedures.
- Discuss insurance, lease or rent agreements.
- Account for the equipment necessary to produce your goods or services.
- Account for production and delivery of products and services.

## Concluding Statement

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

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

# CAPITAL

## Financing Options to Start or Grow Your Business

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

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

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

## SBA BUSINESS LOANS

If you are contemplating a business loan, familiarize yourself with the SBA's business loan programs to see if they may be a viable option. The SBA has a variety of loan programs which are distinguished by their different uses of the loan proceeds, their dollar amounts, and the requirements placed on the actual lenders. The three principal players in most of these programs are the applicant small business, the lender and the SBA. The agency does not actually provide the loan, rather they guaranty a portion of the loan provided by a lender (except for microloans). The lender can be a regulated bank or credit union, or a community based lending organization.

The business should have its business plan prepared before it applies for a loan. This plan should explain what resources will be needed to accomplish the desired business purpose including the associated costs, the applicants' contribution, planned uses for the loan proceeds, collateral, and, most important, an explanation of how the business will be able to repay the loan in a timely manner.

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

## 7(a) LOAN PROGRAM

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

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

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

To qualify for an SBA loan, a small business must meet the lender's criteria and the 7(a) requirements. In addition, the lender must certify that it would not provide this loan under the proposed terms and conditions without an SBA guaranty. If the SBA is going to provide a lender with a guaranty, the applicant must be eligible and creditworthy and the loan structured under conditions acceptable to the SBA.

### Percentage of Guaranty and Loan Maximums

The SBA only guarantees a portion of any particular 7(a) loan so each loan will also have an unguaranteed portion, giving the lender a certain amount of exposure and risk on each loan. The percentage the SBA guarantees depends on either the dollar amount or the program the lender uses to obtain its guaranty. For loans of $150,000 or less the SBA generally guarantees as much as 85 percent and for loans over $150,000 the SBA generally provides

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

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

### Interest Rates and Fees

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

Loans guaranteed by the SBA are assessed a guaranty fee. This fee is based on the loan's maturity and the

## What to Take to the Lender

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

**Common requirements include the following:**

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

### How the 7(a) Program Works

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

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

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

When lenders request guarantees using Standard, Certified, or Preferred processing methods, the applicant fills out SBA Form 4, and the lender completes SBA Form 4-I. The Form 4 requires the applicant to fully explain what they intend to do with the money and explain how they will repay the loan. The Form 4-I requires the lender to explain their analysis of the eligibility and credit merits of the request. When lenders uses Express or Advantage procedures to request guarantees, the loan amounts are smaller and the information the applicant has to provide SBA is reduced, but the lender can still ask the applicant for as much detail as they believe is necessary for them to make their decision. Through Express and Advantage procedures the lender also provides SBA with less information about their credit analysis but the lender still has to conduct their due diligence.

When the SBA receives a request for guaranty using Standard or Certified procedures, it either reanalyzes or reviews the lender's eligibility and credit analysis before deciding to approve or reject the request. For requests processed through the Preferred Lender Program or Express programs, the lender is delegated the authority to make the credit decision without the SBA's concurrences. Requests processed through Advantage procedures are a hybrid of both.

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

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

### What the SBA Looks for:

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

dollar amount guaranteed, not the total loan amount. The guaranty fee is initially paid by the lender and then passed on to the borrower at closing. The funds to reimburse the lender can be included in the overall loan proceeds.

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

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

## 7(a) Loan Maturities

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

## Structure

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

## Collateral

The SBA expects every 7(a) loan to be fully secured, but the SBA will not decline a request to guaranty a loan if the only unfavorable factor is insufficient collateral, provided all available collateral is offered. What these two policies mean is that every SBA loan is to be secured by all available assets (both business and personal) until the recovery value equals the loan amount or until all assets have been pledged to the extent that they are reasonably available. Personal guaranties are required from all the principal owners of the business. Liens on personal assets of the principals may be required.

## Eligibility

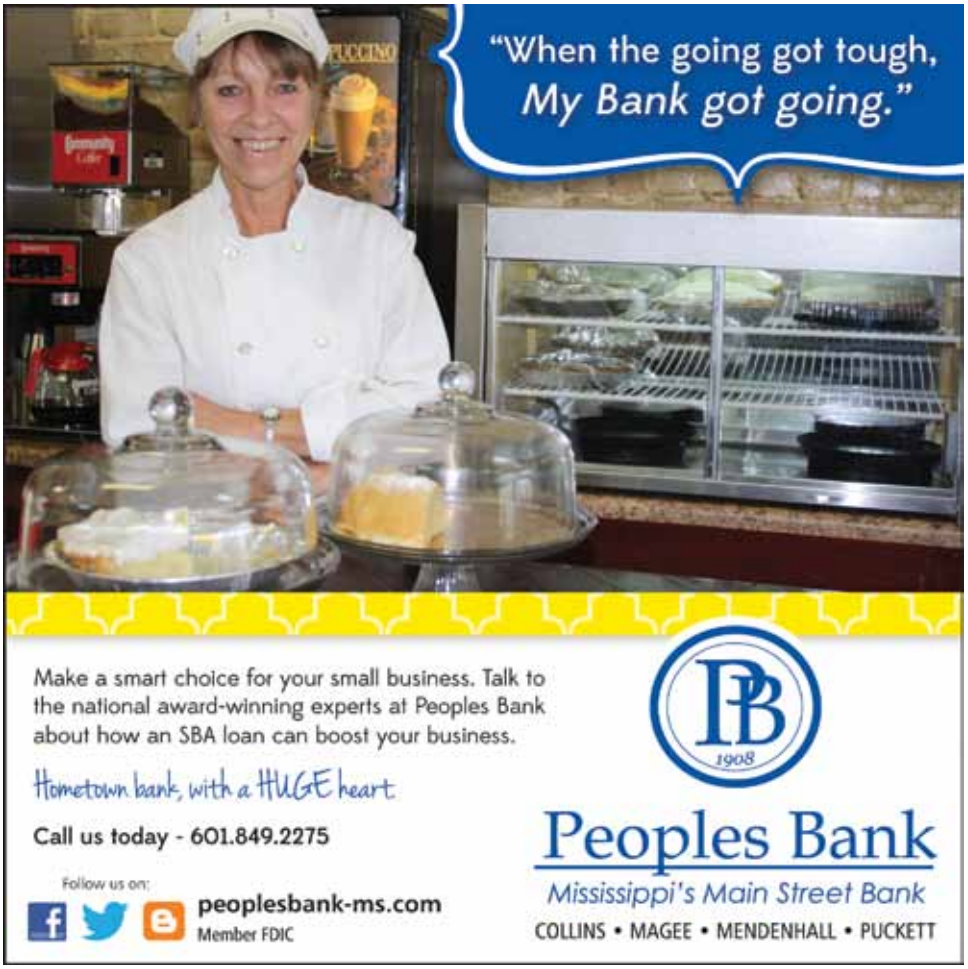
7(a) loan eligibility is based on four different factors. The first is size, as all loan recipients must be classified as "small" by the SBA. The basic size standards are outlined below. A more in-depth listing of standards can be found at **www.sba.gov/size**.

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

- Manufacturing — from 500 to 1,500 employees
- Wholesale Trades — Up to 100 employees
- Services — $2 million to $35.5 million in average annual receipts
- Retail Trades — $7 million to $35.5 million in average annual receipts
- Construction — $7 million to $33.5 million in average annual receipts
- Agriculture, Forestry, Fishing, and Hunting — $750,000 to $17.5 million in average annual receipts

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

CAPITAL



### Nature of Business

The second eligibility factor is based on the nature of the business and the process by which it generates income or the customers it serves. The SBA has general prohibitions against providing financial assistance to businesses involved in such activities as lending, speculating, passive investment, pyramid sales, loan packaging, presenting live performances of a prurient nature, businesses involved in gambling and any illegal activity.

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

### Use of Proceeds

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

**Proceeds can also be used to:**

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

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

### Miscellaneous Factors

The fourth factor involves a variety of requirements such as SBA's credit elsewhere test and utilization of personal assets requirements, where the business and its principal owners must use their own resources before getting a loan guaranteed by the SBA. It also includes the SBA's anti-discrimination rules and limitations on lending to agricultural enterprises because there are other agencies of the federal government with programs to fund such businesses.

Generally, SBA loans must meet the following criteria:

- Every loan must be for a sound business purpose;
- There must be sufficient invested equity in the business so it can operate on a sound financial basis;
- There must be a potential for long-term success;
- The owners must be of good character and reputation; and
- All loans must be so sound as to reasonably assure repayment.

For more information, go to **www.sba.gov/apply**.

## SPECIAL PURPOSE 7(a) LOAN PROGRAMS

The 7(a) program is the most flexible of the SBA's lending programs. Over time, the agency has developed several variations to the basic 7(a) program in order to address specific financing needs for particular types of small businesses. The general distinguishing feature between these loan types is their use of proceeds. These programs allow the proceeds to be used in ways that are not otherwise permitted in a basic 7(a) loan. These special purpose programs are not necessarily for all businesses but may be very useful to some small businesses. They are generally governed by the same rules, regulations, fees, interest rates, etc., as the basic 7(a) loan. Lenders can advise you of any variations. The Special Purpose Loans include:

### International Trade Loan Program

The SBA's International Trade Loan (ITL) is designed to help small businesses enter and expand into international markets and, when adversely affected by import competition, make the investments necessary to better compete. The ITL offers a combination of fixed asset, working capital financing and debt refinancing with the SBA's maximum guaranty--90 percent--on the total loan amount. The maximum loan amount is $5 million in total financing.

### Use of Proceeds

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

### Loan Term

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

### Interest Rates

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

### Exporter Eligibility

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

### Foreign Buyer Eligibility

Foreign buyers must be located in those countries wherein the Export-Import Bank of the U.S. is not prohibited from providing financial assistance.

## Collateral Requirements

- Only collateral located in the U.S. (including its territories and possessions) is acceptable.
- First lien on property or equipment financed by the ITL or on other assets of the business is required. However, an ITL can be secured by a second lien position if the SBA determines there is adequate assurance of loan payment.
- Additional collateral, including personal guaranties and those assets not financed with ITL proceeds, may be appropriate.

## How to Apply

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

## Guaranty Coverage

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

## Export Working Capital Program

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

## Benefits of the EWCP

- Financing for suppliers, inventory or production of export goods.
- Export working capital during long payment cycles.
- Financing for stand-by letters of credit used as bid or performance bonds or down payment guarantees.
- Reserves domestic working capital for the company's sales within the U.S.
- Permits increased global competitiveness by allowing the exporter to extend more liberal sales terms.
- Increases sales prospects in under-developed markets which have high capital costs for importers.
- Low fees and quick processing times.

## Use of Proceeds

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

## Interest Rates

The SBA does not establish or subsidize interest rates on loans. The interest rate can be fixed or variable and is negotiated between the borrower and the participating lender.

## Advance Rates

- Up to 90 percent on purchase orders.
- Up to 90 percent on documentary letters of credit.
- Up to 90 percent on insured foreign accounts receivable.
- Up to 75 percent on eligible foreign inventory located within the U.S.
- In all cases, not to exceed the exporter's costs.



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## Collateral Requirements

Transaction collateral is typically adequate to secure an EWCP loan via export-related inventory, and the accounts receivable generated by the export sales, as well as an assignment of proceeds of any letter of credit or insurance policies covering export sales financed with EWCP funds. The SBA requires the personal guarantee of owners with 20 percent or more ownership stake.

## How to apply

Application is made directly to the SBA's participating lenders. Businesses are encouraged to contact SBA staff at their local U.S. Export Assistance Center (USEAC) to discuss whether they are eligible for the EWCP and whether it is the appropriate tool to meet their export financing needs. Participating lenders review/approve the application and submit the request to SBA staff at the local USEAC.

## Guaranty Coverage

- Maximum loan amount is $5,000,000.
- 90 percent of principal and accrued interest up to 120 days.
- Low guaranty fee of one-quarter of one percent of the guaranteed portion for loans with maturities of 12 months or less.
- Loan maturities are generally for 12 months or less; maximum maturity is 3 years.

## U.S. Export Assistance Center

While not a loan program, entrepreneurs interested in learning more about exporting their goods and services should be aware of SBA technical staff available at a U.S. Export Assistance Centers or USEAC. There are 19 USEACs located throughout the U.S. They are staffed by SBA, U.S. Department of Commerce and, in some locations, Export-Import Bank of the U.S. personnel, and they provide trade promotion and export-finance assistance in a single location. The USEACs also work closely with other federal, state and local international trade organizations to provide assistance to small businesses. To find your nearest USEAC, visit: **www.sba.gov/content/us-export-assistance-centers**. You can find additional export training and counseling opportunities by contacting your local SBA office.

### U.S. Export Assistance Center

Pellson Lau, Regional Manager
New Orleans U.S. Export Assistance Center
423 Canal St., Ste. 419
New Orleans, LA 70130
504-589-6730 • 202-481-1525 Fax
Pellson.lau@sba.gov
www.sba.gov/international

## CAPLines

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

- ***The Contract Loan Program*** is used to finance the cost associated with contracts, subcontracts, or purchase orders. Proceeds can be disbursed before the work begins. If used for one contract or subcontract, it is generally not revolving; if used for more than one contract or subcontract at a time, it can be revolving. The loan maturity is usually based on the length of the contract, but no more than 10 years. Contract payments are generally sent directly to the lender but alternative structures are available.
- ***The Seasonal Line of Credit Program*** is used to support buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory. The business must have been in business for a period of 12 months and must have a definite established seasonal pattern. The loan may be used over again after a "clean-up" period of 30 days to finance activity for a new season. These loans also may have a maturity of up to five years. The business may not have another seasonal line of credit outstanding but may have other lines for non-seasonal working capital needs.
- ***The Builders Line Program*** provides financing for small contractors or developers to construct or rehabilitate residential or commercial property. Loan maturity is generally three years but can be extended up to five years, if necessary, to facilitate sale of the property. Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. The purchase of the land can be included if it does not exceed 20 percent of the loan proceeds. Up to 5 percent of the proceeds can be used for physical improvements that benefit the property.
- ***The Working Capital Line Program*** is a revolving line of credit (up to $5,000,000) that provides short term working capital. These lines are generally used by businesses that provide credit to their customers, or whose principle asset is inventory. Disbursements are generally based on the size of a borrower's accounts receivable and/or inventory. Repayment comes from the collection of accounts receivable or sale of inventory. The specific structure is negotiated with the lender. There may be extra servicing and monitoring of the collateral for which the lender can charge up to 2 percent annually to the borrower.

### Dealer Floor Plan Program

In response to the need to help retail businesses that sell inventory acquired through floor plan financing, the SBA created a program where SBA will guarantee a lender's revolving floor plan line of credit. The minimum line of credit available under this program is $500,000 and the maximum is $5,000,000 to acquire floor plan inventory for resale. Principal payments must be made to the lenders as collections from inventory sales are received from customers. The business cannot finance a customer's purchase because that would classify the business as a lender, making them ineligible for SBA assistance. This program is designed to help those businesses that sell automobiles, motorcycles, boats, recreational vehicles and other items that are licensed or titled.

### Other Guaranty Lines of Credit

All the Special Purpose Programs listed above have SBA structured repayment terms meaning the agency tells the lender how principal and interest is to be repaid. These programs also require the lender to use certain closing forms. Lenders with the ability to obtain 7(a) guarantees through any of the Express processes are considered experienced enough to be able to structure their own repayment terms and use their own closing documents. With this ability the lender can tailor a line of credit that it gets guaranteed by SBA to the needs of the business. Therefore, if a potential applicant sees that the previously listed Basic 7(a) or Special Purpose 7(a) Programs don't meet their needs they should discuss their options with a lender capable of providing an SBAExpress loan with an SBA guaranty.

## 7(a) LOAN PROCESSES FOR LENDERS

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

### Standard 7(a) Loan Processing

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

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

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

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

SBA also expects that the lender's credit memo includes the intended use of the loan proceeds and any historical and current issues that require explanation. SBA also expects a discussion of the process by which the applicant business generates its income when it is not immediately obvious. An explanation of how the business conducts its operation is expected.

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

## SBA Loan Clinics

SBA provides free Loan Clinics monthly. The speaker covers the variety of SBA guaranty loan programs available ranging from $5,000 to $5 million. Attendees will also learn of the approved and participating lenders in their area that may help them obtain the capital they need to start or grow their business. Workshop attendance is not required to apply for an SBA loan.

### Mississippi District Office

Call 601-965-4378 ext. 11 to register for this free clinic and to confirm the location.

### Gulfport Branch Office

Call 228-863-4449 ext. 223 to register for this free clinic and to confirm the location.

## SBA*Express*

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

### BancorpSouth Bank

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One Mississippi Plaza
209 S. Spring St. (38804)
Tupelo, MS 38802-0789
662-680-8945 • 662-680-2317 Fax

### BankPlus

Leigha McLendon, Assistant Vice President
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Ridgeland, MS 39157
601-607-4389 • 601-898-4867 Fax

### Century Bank

Renee Mason, Loan Officer
4282 Main St.
Lucedale, MS 39452
601-947-7511 • 601-766-4052 Fax

### Charter Bank

Bob Farve, Executive Vice President
1721 Medical Park Dr., Ste. 103
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228-392-2330

### Community Bank (Gulf Coast)

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### Community Bank of Mississippi

Ralph Hall, Senior Vice President
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Brandon, MS 39042
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### Covington County Bank

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### DeSoto County Bank

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### First Commercial Bank

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601-709-7777

### First Financial Bank

Chris Stewart, Vice President
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### Hancock Bank

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**M&F Bank**
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**PriorityOne Bank**
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201 Country Place Dr., Ste. A
Pearl, MS 39208
601-208-7391 • 601-208-7394 Fax

## Patriot Express and Other Lending Programs For Veterans

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

- Veterans;
- Service-disabled veterans;
- Active-duty service members eligible for the military's Transition Assistance Program;
- Reservists and National Guard members;
- Current spouses of any of the above, including any service member;
- The widowed spouse of a service member or veteran who died during service or of a service-connected disability.

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

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

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

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

## Export Express

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

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

### Use of Proceeds

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

Indirect exports also are an eligible use of proceeds. Indirect exports occur when the borrower's customer is U.S.-based businesses that might incorporate the borrower's product in a final product being exported or an Export Trading Company that purchases a product to be exported. The borrower would need documentation from the exporter of record that its product is, in fact, being exported.

### Ineligible Use of Proceeds

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

### Exporter Eligibility

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

### Foreign Buyer Eligibility

The exporter's foreign buyer must be a creditworthy entity and the methods of payment must be acceptable to the SBA and the SBA lender.

### How to Apply

Interested businesses should contact their existing lender to determine if they are an SBA Export Express lender. Application is made directly to the lender. Lenders use their own application material in addition to the SBA's Borrower Information Form. Lenders' approved requests are then submitted with a limited amount of eligibility information to the SBA's National Loan Processing Center for review.

### Guaranty Coverage

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

### Small/Rural Lender Advantage

The Small/Rural Lender Advantage (S/RLA) initiative is designed to accommodate the unique loan processing needs of small community/rural-based lenders by specifying what the applicant has to provide to the lender and what the lender needs to provide SBA, particularly for smaller SBA loans. It is part of a broader SBA initiative to promote the economic development of local communities, particularly those facing the challenges of population loss, economic dislocation and high unemployment. Visit **www.sba.gov/content/rural-business-loans** for more information.

### Advantage Loans

In early 2011, the SBA rolled out two other Advantage initiatives aimed at helping lenders help entrepreneurs in underserved communities gain access to capital.

The ***Small Loan Advantage*** program is available to all lenders participating in SBA's 7(a) Program for term loans up to $350,000. The program allows lenders to get an indication from SBA on the likelihood of SBA approval of the request for guaranty based on the applicant's credit score and if the indication is yes, the lender only has to provide SBA with limited information. That does not mean the applicant can provide the lender with less information about their request for financial assistance than the lender normally requires.

The ***Community Advantage pilot program*** opens up 7(a) lending to mission-focused, community-based lenders – such as Community Development Financial Institutions (CDFIs), Certified Development Companies (CDCs), and microlenders – who provide technical assistance and economic development support in underserved markets. The applicants and lender each has SBA forms to complete before SBA can provide the lender with a determination on whether or not the request for guaranty is approved.

More information on both programs is available at **www.sba.gov/advantage**.

## CERTIFIED DEVELOPMENT COMPANY LOAN PROGRAM (504 LOANS)

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

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

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

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

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

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

- Eligible project costs are limited to long-term, fixed assets such as land and building (occupied by the borrower) and substantial machinery and equipment.
- Most borrowers are required to make an injection (borrower contribution) of just 10 percent which allows the business to conserve valuable operating capital. A further injection of 5 percent is needed if the business is a start-up or new (less than two years old), and a further injection of 5 percent is also required if the primary collateral will be a single-purpose building (such as a hotel).
- Two-tiered project financing: A lender finances approximately 50 percent of the project cost and receives a first lien on the project assets (but no SBA guaranty); A CDC (backed by a 100 percent SBA-guaranteed debenture) finances up to 40 percent of the project costs secured with a junior lien. The borrower provides the balance of the project costs.
- Fixed interest rate on SBA loan. The SBA guarantees the debenture 100 percent. Debentures are sold in pools monthly to private investors. This low, fixed rate is then passed on to the borrower and establishes the basis for the loan rate.
- All project-related costs can be financed, including acquisition (land and building, land and construction of building, renovations, machinery and equipment) and soft costs, such as title insurance and appraisals. Some closing costs may be financed.
- Collateral is typically a subordinate lien on the assets financed; allows other assets to be free of liens and available to secure other needed financing.
- Long-term real estate loans are up to 20-year term, heavy equipment 10- or 20-year term and are self-amortizing.

***Businesses that receive 504 loans are:***

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

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

**Central Mississippi Development Company, Inc.**
Larry Anderson, Loan Officer
1170 Lakeland Dr.
Jackson, MS 39296-4935
601-981-1511 or 601-981-1625
www.cmpdd.org
l.anderson@cmpdd.org

**Six Bridges Capital Corporation**
Michael Fasulo, Vice President
457 Southwest Dr.
Jonesboro, AR 72401
888-726-9229 or 870-932-8002
www.accglending.com/sba_504_loans
Serves DeSoto, Marshall, Tate and Tunica counties in Mississippi.

**Three Rivers Local Development Company, Inc.**
Mitch Montgomery, Loans Division Director
75 S. Main St.
Pontotoc, MS 38863
662-489-2435
www.trpdd.com
mmontgomery@trpdd.com

## MICROLOAN PROGRAM

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

The program also provides business-based training and technical assistance to microborrowers and potential microborrowers to help them be successful at starting or growing their businesses. Such training and technical assistance may include general business education, assistance with business planning industry-specific training, and other types of training support. Entrepreneurs and small business owners interested in small amounts of business financing should contact the nearest SBA district office for information about the nearest Microloan Program Intermediary Lender or go to **www.sba.gov/microloans**.

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## SURETY BOND GUARANTEE PROGRAM

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

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

SBA has two program components, the Prior Approval Program and the Preferred Surety Bond Program. In the Prior Approval Program, the SBA guarantees 90 percent of surety's paid

CAPITAL

**Central Mississippi Planning & Development District**
**Central Mississippi Development Company, Inc.**
*1170 Lakeland Drive, Jackson, MS 39296*
*Phone (601) 981-1625 or 981-1511 • Fax (601) 981-1515 • www.cmpdd.org*

Financial assistance is available for small and minority owned businesses. If you need financial assistance for your business, please inquire about one or more of the following loan programs.

- SBA 504 Loan Program - U.S. Small Business Administration loan program for fixed assets. Loans can be made up to $5.0 million for 10 or 20 years.
- SBA Export Working Capital Loan Program - U.S. Small Business Administration
- Minority Business Enterprise Loan Program - State of Mississippi Loans can be made up to $250,000 on terms up to 15 years. Also, Micro-Loans can be made up to $35,000.
- Rural Business Enterprise Revolving Loan Fund - U.S. Department of Agriculture, Rural Development Division - Loans can be made up to $500,000 with maximum term of 15 years.
- Revolving Loan Fund - U.S. Department of Commerce, Economic Development Administration - Loans can be made up to $200,000.
- Small Business Assistance Loan Program - State of Mississippi Loans can be made up to 250,000 on terms up to 15 years.

**For more information, please contact Thelman Larry Anderson or Dwayne Perkins.**

losses and expenses on bonded contracts up to $100,000, and on bonded contracts greater than $100,000 that are awarded to socially and economically disadvantaged concerns, HUBZone contractors, and veterans, and service-disabled veteran-owned small businesses. All other bonds guaranteed in the Prior Approval Program receive an 80 percent guarantee. Sureties must obtain the SBA's prior approval for each bond guarantee issued. Under the Preferred Program, the SBA guarantees 70 percent, and sureties may issue, monitor and service bonds without the SBA's prior approval.

### PREFERRED AND PARTICIPATING SURETY BOND COMPANIES:

You will find a List of preferred Surety Bond Companies online at www.sba.gov/content/preferred-surety-bond-companies
A list of participating Surety Bond Companies is available at www.sba.gov/content/list-participating-surety-companies-agents

## SMALL BUSINESS INVESTMENT COMPANY PROGRAM

There are a variety of alternatives to bank financing for small businesses. The Small Business Investment Company (SBIC) program fills the gap between what owners can fund directly and the needs of the small business for growth capital. Licensed and regulated by the SBA, SBICs are privately owned and managed investment funds that make capital available to qualifying U.S. small businesses. The funds raise private capital and can receive SBA-guaranteed leverage up to three times private capital, with a leverage ceiling of $150 million per SBIC and $225 million for two or more licenses under common control. Licensed SBICs are for-profit investment firms whose incentive is to share in the success of a small business. The SBIC program provides funding for a broad range of industries. Some SBICs invest in a particular field or industry while others invest more generally. For more information, visit **www.sba.gov/inv**.

**Sun-Delta Capital Access Center, Inc.**
Josie Taylor, Assistant CEO
819 Main St.
Greenville, MS 38702
662-335-5291 • 662-335-5295 Fax

## SMALL BUSINESS INNOVATION RESEARCH PROGRAM

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

### SBIR Requirements

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

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

For more information on the SBIR program visit **www.sba.gov/sbir**.

### Participating Agencies

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

## SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

The Small Business Technology Transfer (STTR) program reserves a specific percentage of federal R&D funding for award to small business and non-profit research institution partners. Central to the program is expansion of public/private sector partnerships to include joint venture opportunities for small business and the nation's premier nonprofit research institutions. Small business has long been where innovation and innovators thrive, but the risk and expense of conducting serious R&D efforts can be beyond the means of many small businesses. Non-profit research laboratories are also instrumental in developing high-tech innovations, but frequently innovation is confined to the theoretical.

STTR combines the strengths of both entities by introducing entrepreneurial skills to high-tech research efforts. The technologies and products are transferred from the laboratory to the marketplace. The small business profits from the commercialization, which, in turn, stimulates the U.S. economy.

### STTR Requirements

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

- Be 51 percent owned and controlled by one or more individuals who are U.S. citizens or permanent resident aliens in the U.S.
- Be for-profit.
- Principal researcher need not be employed by the small business.
- Company size cannot exceed 500 employees. (No size limit for nonprofit research institution).
  **The nonprofit research institution partner must also meet certain eligibility criteria:**
- Be located in the United States and be one of the following:
- Nonprofit college or university.
- Domestic nonprofit research organization.
- Federally funded R&D center.

### Participating Agencies

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

## Mississippi Contract Procurement Center (MCPC)

**www.mscpc.com**

This Procurement Technical Assistance Center (PTAC) is designed to assist Mississippi businesses in successfully competing for government contracts (federal, state, and local). The network is comprised of five regional offices (listed below) located throughout the state for easy access by businesses.

It provides such assistance in the form of "bid notices" to clients registered in our database. Clients are provided "bid notices" on current bid opportunities. In addition, assistance with price histories, MILSPECS, marketing, etc – all of which allow for the preparation of a more competitive bid from a well-informed bidder.

Counseling is also offered to assist a business in understanding a solicitation, which, in turn, will help with bid preparation.

Seminars, workshops, trade shows, and networking opportunities are conducted regularly in conjunction with other local resource partners such as the SBA, SBDC, chambers, etc.

Our services are restricted to Mississippi businesses only and are offered at no charge.

### Central MS Procurement Center (CMPC)

Jonithan Hatcher, Director
c/o Mississippi Development Authority
501 North West St., Woolfolk Bldg., 6th Fl.
Jackson, MS 39201
601-359-3485
cmpc@mscpc.com
Counties served: Adams, Claiborne, Copiah, Franklin, Hines, Jefferson, Jefferson Davis, Lawrence, Lincoln, Madison, Rankin, Simpson and Warren.

### Delta Contract Procurement Center (DCPC)

Paul Morgan, Director
342 Washington Ave., 2nd Fl.
Greenville, MS 38702
662-334-1518
Counties served: Bolivar, Carroll, Coahoma, DeSoto, Grenada, Holmes, Humphreys, Issaquena, LeFlore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, Yalobusha and Yazoo.

### Northeast MS Contract Procurement Center (NMCPC)

Bill Burge, Director
318 7th St. N.
Columbus, MS 39703
662-329-1077
nmcpc@mscpc.com
Counties served: Alcorn, Attala, Benton, Calhoun, Chickasaw, Choctaw, Clay, Itawamba, Lafayette, Lee, Lowndes, Marshall, Monroe, Montgomery, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster and Winston.

### NMCPC – Tupelo Satellite Office

(Wednesdays only)
Bill Burge, Director
c/o Renaissance Center for IDEA's
298 E. Main St.
Tupelo, MS 38804-4026
662-329-1077
nmcpc@mscpc.com

### South MS Contract Procurement Center (SMCPC)

Marcia McDowell, Director
1636 Popps Ferry Rd., Ste. 203
Biloxi, MS 39532
228-396-1288
smcpc@mscpc.com
Counties served: Amite, Forrest, George, Greene, Hancock, Harrison, Jackson, Lamar, Marion, Pearl River, Perry, Pike, Stone, Walthall and Wilkinson.

## OTHER PROCUREMENT RESOURCES

### GSA Schedule

GSA's Federal Supply Schedules, also known as Multiple Award Schedules (MAS), are contracts that allow federal customers to acquire more than 4 million services and products directly from more than 8,600 commercial suppliers. GSA Schedules cover a vast array of commercial items - from office supplies and copier paper to systems furniture, from computers to laboratory equipment and services ranging from accounting to graphic design to landscaping. The Southeast Sunbelt Region serves customers in the states of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee providing work environments, supplies, telecommunications and transportation services to Federal agencies.

This region facilitates the purchase of commercial products and services by other Federal agencies through GSA Schedules and IT contracts; manages a portfolio of Federal facilities including Federal Office Buildings and Courthouses and coordinates the disposal of Federal real property in the states of the Southeast Region and Delaware, Pennsylvania, West Virginia, and the parts of Maryland and Virginia not served by the National Capital Region. Small and minority businesses that wish to transact commerce with the Federal Government can receive assistance through this office.

### General Services Administration (GSA)

77 Forsyth St., Ste. 600
Atlanta, GA 30303
404-331-3200
www.gsa.gov

### Mississippi Department of Transportation (MSDOT)

401 N. West St.
Jackson, MS 39201
General Information
601-359-7001

### Mississippi Department of Finance & Administration

501 N. West St., Ste. 1301, Woolfolk Bldg.
Jackson, MS 39201
601-359-3402

# SBA ONLINE: WEB-BASED TOOLS FOR BUSINESS OWNERS



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

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

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

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

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

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

1. **Get to Know Your Market and Competition Better with the SizeUp Tool**
   Want to know how your business stacks up against the competition? Where your potential competitors are located? Where the best places are to advertise your business? These are all critical inputs for your business plan and can also help back up any financing applications.

   Now with the new **SizeUp** tool you can crunch millions of data points and get customizable reports and statistics about your business and its competition. Just enter your industry, city, state and other details. SizeUp then runs various reports and provides maps and data related to your competition, suppliers and customers. It also highlights potential advertising opportunities.

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

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

3. **Size Standards Tool - Find Out Fast if You Qualify for Government Contracts**
   In order to be eligible to sell to the government and compete for small business "set-aside" contracts, business owners had to rummage through various rules and matrices to find out if their business is truly "small" according to **SBA size standards**. Now, with this new **Size Standards Tool**, you can follow three simple steps to cut through the guesswork and quickly find out if you qualify for government contracting opportunities. SBA also offers other resources including **government contracting training courses**, and **guides to help you register as a contractor**.

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

SBA.GOV
U.S. Small Business Administration

# Use of Proceeds in SBA Loan Programs

*Ways Borrowers Can Use The Money*

(Information current as of 04/26/2013)

| Program | Who Qualifies | Use of Proceeds | Maturity | Maximum Loan Amount | Structure | Benefit to Borrower |
|---|---|---|---|---|---|---|
| **Basic 7(a)** | For-profit businesses that can meet SBA's size standards, nature of business, use of proceeds, credit elsewhere, and other miscellaneous eligibility factors. | Acquire land; purchase existing building; convert, expand or renovate buildings; construct new buildings; acquire and install fixed assets; acquire inventory; purchase supplies and raw materials; purchase a business, start a business, leasehold improvements, term working capital; and under certain conditions to refinance certain outstanding debts. | Based on the use of proceeds and borrower's ability to repay. Not based on collateral. Maximum maturity: 10 years for working capital (seven years is common), 10 years for fixed assets, 25 years for real estate. | A basic 7(a) can be for as much as $5 million. SBA's limit to any one business is $3.75 million so a business can have multiple loans guaranteed by SBA but the SBA portion cannot exceed $3.75 million. | Term loans with one monthly payment of principal and interest (P&I). Borrower contribution required. Interest rate depends upon how lender applies for guaranty (see lender program chart), Cannot revolve, no balloon or call provisions. | Obtains financing not otherwise available, fixed maturity, available when collateral is limited. Can establish or re-affirm relationship with lender. |
| **International Trade Loan (ITL)** | Same as basic 7(a). Plus, business must be engaged or preparing to engage in exporting or be adversely affected by competition from imports. | Acquire, renovate, modernize facilities or equipment used in making products or services to be exported. Plus, for permanent working capital and to refinance business debts currently on unreasonable terms. | Same as basic 7(a). | Same as basic 7(a), but when borrower has both international trade and working capital loans, guaranteed by the SBA, the limit to any one business can be $4 million. | Same as basic 7(a). | Same as basic 7(a). Plus, long-term financing for export related fixed assets and working capital. |
| **Export Working Capital Loans (EWCP)** | Same as basic 7(a). Plus, must be in business one year and engaged or preparing to engage in exporting. | Short-term working capital for export purposes, including ability to support an Export Stand-By Letter of Credit. | Can be up to a maximum of 36 months but generally 12 months or less. | Same as basic 7(a). | Finance single or multiple transactions. Interest paid monthly, principal paid as payments from items shipped overseas are collected. Can be renewed annually. Extra fees apply. Percentage of guaranty up to 90%. Generally revolving. | Provides American exporters with line of credit that can be separated from domestic operations line of credit. |
| **Seasonal CAPlines** | Same as basic 7(a). Plus, in business for at least one year and can demonstrate seasonal financing needs. | To finance the seasonal increases of accounts receivable, inventory and labor. | 10 years | Same as basic 7(a). | Short-term financing for seasonal activities to be repaid at the end of the season when payment for the seasonal activity is made to business. | Provides opportunity for seasonal businesses to get seasonal financing not otherwise available. |
| **Contract CAPlines** | Same as basic 7(a). Plus, will perform on contract or purchase order for some third party buyer. | To finance the cost of one or more specific contract, sub-contract, or purchase order, including overhead or general and administrative expenses, allocable to the specific contract(s). | 10 years | Same as basic 7(a). | Short-term financing for performance of approved contract, sub-contract, or purchase order to be repaid when payment for the activity is made to business. Can be revolving or not. | Provides opportunity for contractors and sub-contractors to get financing not otherwise available. |
| **Builders CAPlines** | Same as basic 7(a). Plus, building/ renovating residential or commercial structure for re-sale without knowing buyer at time of approval. | For the direct expenses related to the construction and/or "substantial" renovation costs of specific residential or commercial buildings for resale, including labor, supplies, materials, equipment rental, direct fees. The cost of land is potentially eligible. | Maximum of three years to disburse and build or renovate. Extension possible to accommodate sale. | Same as basic 7(a). | Short-term financing to build or renovate home or building for sale to unknown third party. "Substantial" means rehabilitation expenses of more than one-third of the purchase price or fair market value at the time of application. Can be revolving or not. | Provides opportunity for residential and commercial builders to get financing not otherwise available. |

# Use of Proceeds in SBA Loan Programs continued

*Ways Borrowers Can Use The Money*

(Information current as of 04/26/2013)



| Program | Who Qualifies | Use of Proceeds | Maturity | Maximum Loan Amount | Structure | Benefit to Borrower |
|---|---|---|---|---|---|---|
| **Working Capital CAPlines** | Same as basic 7(a). Plus, business needing short term revolving line of credit. | For short-term working capital and operating needs. Proceeds must not be used to pay delinquent withholding taxes or similar trust funds (state sales taxes, etc.) or for floor planning. | 10 years | Same as basic 7(a). | Lender has latitude with structuring principal payments. Borrower should discuss with lender. Must be revolving. Extra fees apply. | Provides opportunity for businesses that sell on credit to get revolving financing not otherwise available. |
| **Dealer Floor Plan Pilot** | Same as basic 7(a). Plus, businesses engaged in retail sales of inventory requiring floor plan financing requirements. | For the acquisition of inventory at wholesale prices for retail re-sale that is classified as titleable inventory (auto, motorcycle, boat, RV, trailers, and manufactured homes). | Minimum one year Maximum five years | $5 million. Minimum loan size: $500,000 | Revolving Floor Plan financing. Disbursement to acquire floor plan inventory, repayment immediately after item of inventory is sold. Potential high degree of lender monitoring with corresponding extra servicing fees. | Provides opportunity for businesses needing floor plan financing when such financing may not be otherwise available. |
| **Lender Structured Line of Credit** | Businesses needing a line of credit. | Working capital | If revolving, seven-year maximum, including term out period. | Depends upon how the lender chooses to apply for an SBA Guaranty. Generally up to $350,000. | Structure is established by individual lender. | Has availability for a line of credit to help with the short-term cash needs of the business. |
| **Non-7(a) Programs** | | | | | | |
| **504 Loan Program** | Businesses that can meet the SBA's size standards, nature of business, use of proceeds, credit elsewhere, and other miscellaneous factors. | For the acquisition of long-term fixed assets, equipment with a useful life of at least 10 years; refinance loan-term fixed asset debt under certain conditions; working capital under certain conditions; to reduce energy consumption; and to upgrade renewable energy sources. | Based on the use of proceeds. Twenty years for real estate. Ten years for machinery and equipment. | Based on the use of proceeds. Twenty years for real estate. Ten years for machinery and equipment. | Loans packaged by Certified Development Companies (CDC) and designed to finance up to 40 percent of a "project [1]" secured with a 2nd position lien. Another loan from a third party lender financing up to 50 percent of the same project secured in 1st position, and borrower contribution of at least 10 percent. Extra contributions for special purpose properties and new businesses. | Fees under 3 percent, long-term fixed rate, low borrower contribution, full amortization with no call or balloon conditions. |
| **Microloan Program** | Same as basic 7(a). Plus, start-up nonprofit child-care businesses. | Same as basic 7(a). Plus, funds to establish nonprofit child-care centers. | Shortest term possible, not to exceed six years. | $50,000 to the small business at any given time. | The SBA provides a loan to a nonprofit micro-lender called an "intermediary" who uses the proceeds to make microloans to small businesses. Technical assistance can also be provided. | Direct loan from nonprofit intermediary lender, fixed-rate financing, can be very small loan amounts, and technical assistance is available. |

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

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# Lender's Program Chart

*Ways Lenders Can Request Guarantees*

(Information current as of 04/26/2013)

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

| Processing Program | Which Lenders Qualify | Types of Use of Proceeds Loans that can be Guaranteed | Maximum Allowable Interest Rates | Eligibility Analysis | Credit Analysis | Maximum Loan Amount |
|---|---|---|---|---|---|---|
| **Standard Processing** | Lenders that have an executed participation agreement with the SBA. | Basic 7(a). International trade, export working capital, all CAPlines, dealer floor plan. | Base rate is *Wall Street Journal* prime, LIBOR* one month rate plus 3 percent, or SBA Peg rate. Plus, an allowable spread from 2.25 to 2.75 percent based on term. Lender can add 2 percent if loan is $25,000 or less, and 1 percent if $25,001 to $50,000. Can be fixed or variable. | Lender completes eligibility questionnaire and SBA reviews eligibility during loan processing. | Lender to cover all aspects of prudent credit analysis with emphasis on applicant's ability to repay loan from operation. SBA conducts analysis of lender's work. | Maximum loan $5 million. Loans up to $150,000 guaranteed up to 85 percent; loans over $150,000 guaranteed up to 75 percent. Business with multiple SBA loans may get some variations. |
| **Certified Lender Program (CLP) Processing** | Same as Standard 7(a). Plus, an executed CLP agreement. | Same as Standard processing except no policy exceptions. | Same as Standard 7(a). | Same as Standard 7(a). | Same as Standard 7(a) except SBA reviews lender's work, not a re-analysis. | Maximum loan $5 million. Guaranty percentage same as Standard 7(a). |
| **Preferred Lender Program (PLP) Processing** | Same as Standard 7(a). Plus, an executed PLP agreement. | Same as Standard processing except restrictions on loans involving some types of debt refinancing. | Same as Standard 7(a). | Lender completes Eligibility Checklist (SBA Form 7). | Delegated to lender. | Maximum loan $5 million. Guaranty percentage same as Standard 7(a). |
| **SBA Express Processing** | Same as Standard 7(a). Plus, an executed SBA Express agreement. | Basic 7(a) with restrictions on some types of debt refinancing. Plus, lender structured term and revolving loans. | If $50,000 or less, cannot exceed prime + 6.5 percent. If over $50,000, cannot exceed prime + 4.5 percent. Prime may be lender prime. | Lender completes SBA Form 1920SX (Part C) "Eligibility Information." | Delegated to lender. | Maximum loan $350,000. Guaranty percentage 50 percent. |
| **Patriot Express Processing** | Same as Standard 7(a). Plus, either an executed PLP or SBA Express Agreement. | Basic 7(a) except restrictions on some types of refinancing. | Same as Standard 7(a) except Prime may be Lender Internal Prime. | Lender completes SBA Form 1920SX (Part C) "Eligibility Information." Must be member of the military community. | Delegated to lender. | Maximum loan $500,000. Guaranty percentage same as Standard 7(a). |
| **Export Express Processing** | Same as Standard 7(a). Plus, an executed Export Express Agreement. | Similar to export working capital loans and international trade loans which meet export related eligibility criteria. | If $50,000 or less, cannot exceed prime + 6.5 percent. If over $50,000, cannot exceed prime + 4.5 percent. Prime may be lender prime. | Lender completes SBA Form 1920SX (Part C) "Eligibility Information." | Delegated to lender. | Maximum loan $500,000. Guaranty percentage same as Standard 7(a). |
| **Small/Rural Lender Advantage** | Same as Standard 7(a). Plus, separate approval based on having processed 20 or fewer SBA loans annually over the last three fiscal years. | Basic 7(a) except restrictions on some types of refinancing. | Same as Standard 7(a). | Lender completes SBA Form 2301 (Part C) "Eligibility Questionnaire." | Similar to Standard 7(a) except credit factors to consider are more defined. | Maximum loan $350,000. Guaranty percentage same as Standard 7(a). |
| **Community Advantage** | Same as Standard 7(a). Plus, an executed Community Advantage Agreement. | Basic 7(a) except restrictions on some types of refinancing. | Prime plus 6 percent. | Non-Delegated Lenders complete SBA Form 2301 (Part C). Delegated Lenders complete SBA Form 2301 (Part D). | Similar to Standard 7(a) except credit factors to consider are more defined. | Maximum loan $250,000. Guaranty percentage same as Standard 7(a). |
| **Small Loan Advantage** | Same as Standard 7(a) and having PLP and/or Express Agreement provides added benefit to lender. | Basic 7(a) except restrictions on some types of refinancing. | Same as Standard 7(a). | Lender completes SBA Form 1920SX (Part C) "Eligibility Information." | Similar to Standard 7(a) except credit factors to consider are more defined. | Maximum loan $350,000. Guaranty percentage same as Standard 7(a). |

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

CAPITAL

# Take Advantage of What the SBA Offers

SBA has something to offer every entrepreneur and small business owner across America. We have spent the past three years making our programs more streamlined and more simplified.

Whether you are an older employee ready to begin a second career by starting your own business or a veteran returning from active duty service and interested in entrepreneurship, SBA can help.

SBA offers programs and services ranging from assisting with drafting a business plan, guidance on obtaining a government contract to what it takes to start exporting.

Our goal is to make it as easy as possible for small businesses in every industry to find the resources and tools they need. One way we have helped small business owners learn about the programs and tools available to them is through the creation of Business.USA.gov. We worked jointly with the Department of Commerce to develop a website where businesses could easily navigate and find resources across the federal government. We are confident this centralized, one-stop platform will make it easier than ever for businesses to take advantage of programs and services.

For women who own small businesses, SBA offers specialized training and counseling at Women Business Centers around the country. The Women-Owned Small Business Federal Contract program that was created in 2011 allows contracting officers to set aside certain federal contracts for women-owned small businesses.

If you are a young entrepreneur, SBA has a program for you whether it is a specialized online training course, an in-person event targeted at encouraging young entrepreneurs to start their own businesses, or training on small business opportunities through Jobs Corps Centers around the country through SBA's partnership with the Department of Labor. For those who may no longer fall into the category of young entrepreneur, this year SBA launched a campaign to target entrepreneurs ages 50 and older. Through this initiative, SBA and AARP have committed to jointly counsel, train or mentor over 100,000 new and existing "Encore Entrepreneurs" over the next year.

While some small businesses need significant funding to expand, other small businesses may only need small loans to grow and create jobs. SBA's microloan program provides small, short-term loans to small businesses. The average microloan amount is about $13,000, which allows small businesses to take advantage of these loans for working capital, or purchasing inventory or machinery.

For small businesses that are already successful, but have the potential for further growth, the SBA created the Emerging Leaders (formerly e200) program. This training initiative focuses on executives of established businesses, currently poised for growth from communities around the country. The program provides these executives with the organizational framework, resource network, and motivation needed to build a sustainable business of size and scale. SBA has focused this program in historically underserved geographic areas, including Native American communities, and the result has been new jobs, investment and a more sustainable economic base in distressed areas.

For businesses located in underserved markets, SBA has created the Small Loan Advantage (SLA) program which encourages SBA lenders to make lower-dollar loans, often benefiting businesses in underserved communities, and the Community Advantage initiative which increases the number of SBA lenders that reach underserved communities. SBA's Historically Underutilized Business Zones program can also help small businesses in urban and rural communities take advantage of preferential access to federal procurement opportunities.

If you are a small business interested in developing or expanding your exporting businesses, SBA has a number of loan programs, including our Export Express Program and Export Working Capital Program that can help small businesses access loans for exporting quickly and easily.

For veteran entrepreneurs, in addition to loan programs and federal contracting set-asides, SBA has recently launched the Boots to Business program which provides videos, training and courses on entrepreneurship for transitioning service members. Based on the success we have seen, SBA is growing this program in 2013.

As you can see from this variety of programs and initiatives, SBA has something for everyone interested in starting or growing small businesses. SBA and its nationwide network of resource partners help millions of small businesses each year start, grow and succeed, but there are millions more small businesses out there that need SBA assistance. SBA's mission this year is to help even more small businesses owners and entrepreneurs achieve their dreams.

After streamlining and improving our programs over the past few years, we feel confident that all small businesses, regardless of industry, can take advantage of one of SBA's programs. SBA is committed to making sure that the agency has something to offer each and every small business owner.

# CONTRACTING

## Applying for Government Contracts

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

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

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

## HOW GOVERNMENT CONTRACTING WORKS

### Sealed bidding vs. Negotiation

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

### Types of Contracts

Firm fixed-price contracts place the full responsibility for the costs and risk of loss on the contractor. Firm fixed-price contracts do not permit any adjustment on the basis of the contractor's costs during the performance of the contract. It provides maximum incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden upon the contracting parties. This type of contract is used in all sealed bid and some negotiated procurements.

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

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

### Small Business Set-Asides

A "set-aside" for small businesses reserves an acquisition exclusively for small business participation. There are two ways in which set-asides can be determined. First, if an acquisition

of goods or services has an anticipated dollar value of at least $3,000 but not exceeding $150,000, it is automatically reserved for small businesses. The acquisition will be set aside only if the contracting officer determines there are two or more responsible small businesses that are competitive in terms of market prices, quality and delivery. Second, if an acquisition of goods or services is more than $150,000, and if it is likely offers will be obtained from at least two responsible small businesses, and if awards will be made at fair market prices, the acquisition is reserved exclusively for small business. Reasonable expectations of small business competition may be evaluated using past acquisition history of an item or similar items.

There are several exceptions and unique rules for specific kinds of small businesses and industries. For Research and Development (R&D) small business set-asides, there must be reasonable expectation of obtaining from small businesses the best scientific and technological sources consistent with the demands of the proposed acquisition. For small business set-asides other than for construction services, any business proposing to furnish a product that it did not manufacture must furnish the product of a small business manufacturer unless the SBA has granted either a waiver or exception to this requirement. In industries where the SBA finds that there are no small business manufacturers, it may issue a waiver to this non-manufacturer rule. Waivers permit small businesses to provide any domestic firm's product.

## Subcontracting

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

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

To find subcontracting opportunities, a list of federal prime solicitations is listed under the U.S. Small Business Administration Subcontracting Network (SUBNET) **web.sba.gov/subnet/search/index.cfm** and through the General Services Administration (GSA) at **www.gsa.gov/portal/content/101195**. Research the list of prime contractors and determine which are best suited to your business. Develop a marketing strategy, and then contact the Small Business Liaison Officer (SBLO) listed for each prime to schedule an appointment.

# SBA CONTRACTING PROGRAMS

## HUBZONE

The Historically Underutilized Business Zones (HUBZone) program helps small businesses located in distressed urban and rural communities gain access to federal set-aside contracts and sole source contracts, as well as a price evaluation preference in full and open contract competitions. There is a statutory goal that HUBZone small business concerns be awarded not less than 3 percent of the total value of all prime contract awards. The HUBZone program also establishes preference for award of federal contracts to small businesses in these areas. To qualify for the program, a business (except those that are tribally-owned) must meet the following criteria:

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

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

**The SBA is responsible for:**

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

For additional information, visit **www.sba.gov/hubzone**.

## 8(a) BUSINESS DEVELOPMENT PROGRAM

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

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

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

Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual capabilities. The following individuals are presumed to be socially disadvantaged: Black Americans, Native Americans, Alaska Natives or Native Hawaiians, Hispanic Americans, Asian Pacific Americans, and Subcontinent Asian Americans. An individual who is not a member of one of these groups must establish individual social disadvantage by a preponderance of evidence. Economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free-enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged.

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

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

**SBA is responsible for:**

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

For additional information, visit **www.sba.gov/8a**.

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## SMALL DISADVANTAGED BUSINESS

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

There is a federal government-wide goal of awarding at least 5 percent of prime contracting dollars to SDBs each year. Large prime contractors must also establish a subcontracting goal for SDBs in their subcontracting plans.

Firms self-certify as SDB without submitting any application to the SBA; however, firms approved by the SBA into the 8(a) Business Development program are automatically certified as an SDB. To self-certify, firms should update their System for Award Management (SAM), previously CCR profiles.

## SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS

The Service-Disabled Veteran-Owned Small Business (SDVOSB) program has a federal government-wide goal of awarding at least 3 percent of prime and subcontracting dollars to Service-Disabled Veteran-Owned Small Businesses each year. Large prime contractors must also establish a subcontracting goal for Veteran-Owned Small Businesses in their subcontracting plans. These subcontracting goals are reviewed at time of proposal by both the contracting officer and the SBA prior to the award of a contract.

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

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

## WOMEN-OWNED SMALL BUSINESS FEDERAL CONTRACT PROGRAM

On October 7, 2010, the SBA published a final rule effective February 4, 2011, aimed at expanding federal contracting opportunities for women-owned small businesses. The Women-Owned Small Business (WOSB) Federal Contract program authorizes contracting officers to set aside certain federal contracts for eligible women-owned businesses and economically disadvantaged women-owned small businesses.

To be eligible, a firm must be at least 51 percent owned or controlled by one or more women. The women must be U.S. citizens. The firm must be "small" in its primary industry in accordance with SBA's size standards for that industry. To be deemed "economically disadvantaged" its owners must demonstrate economic disadvantage in accordance with the requirements set forth in the final rule. For additional information, visit **www.sba.gov/wosb**.

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

## WHAT YOU SHOULD KNOW ABOUT YOUR BUSINESS

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

**1. Are you a small business?**

Is your small business:

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

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

**2. What is the size standard for your business?**

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

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

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

**SBA-Certified and Self-Certified.**

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

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

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

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

# GETTING STARTED IN CONTRACTING

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

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

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

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

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

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

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

**4. Identify your SIC (Standard Industrial Classification) codes**

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

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

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

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

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

**6. Register with the GSA Schedule**

The GSA (General Services Administration) Multiple Award Schedule (aka Federal Supply Schedule) is used by GSA to establish long-term, government-wide contracts with commercial firms. Once these contracts are established, government agencies can order the supplies and services they need directly from the firms through the use of an online shopping tool. Becoming a GSA schedule contractor increases your opportunity for contracts across all levels of government. Businesses interested in becoming GSA schedule contractors should review the information available at **www.gsa.gov/schedules**.

**7. Make Sure Your Business is Financially Sound**

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

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

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

**9. Marketing Your Business**

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

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



## ADDITIONAL PROCUREMENT RESOURCES

The following federal procurement resources may also be of assistance:

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

# SBA DISASTER ASSISTANCE

## Knowing the Types of Assistance Available for Recovery

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

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

### Physical Disaster Loans

Physical Disaster Loans are the primary source of funding for permanent rebuilding and replacement of uninsured or underinsured disaster-caused damages to privately-owned real and/or personal property. SBA's physical disaster loans are available to homeowners, renters, businesses of all sizes and private nonprofit organizations of all sizes. A homeowner may apply for a loan of up to $200,000 to repair or replace the primary residence to its pre-disaster condition. Homeowners or renters may apply for a loan up to $40,000 to help repair or replace personal property, such as clothing, furniture or automobiles, lost in the disaster. Businesses and private, nonprofit organizations of any size may apply for a loan up to $2 million (actual loan amounts are based on the amount of uncompensated damage) to repair or replace real property, machinery, equipment, fixtures, inventory and leasehold improvements.

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

### Economic Injury Disaster Loans

Economic Injury Disaster Loans provide the necessary working capital after a declared disaster until normal operations resume. Small businesses, small agricultural cooperatives, small businesses engaged in aquaculture (fisheries, for example) and private nonprofit organizations of all sizes are eligible to apply for the EIDL, regardless of whether there was any physical damage. The loan limit is $2 million. The EIDL helps small businesses meet ordinary and necessary operating expenses as they recover from a disaster. The limit for physical and EIDL loans combined is $2 million.

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

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

interest rate for each loan is based on SBA's determination of whether the applicant has credit available elsewhere -- the ability to borrow or use their own resources to recover from the disaster.

More information on all of SBA's disaster assistance programs, including information for military reservists, is available at **www.sba.gov/disaster**.

## Disaster Preparedness

For small businesses, recovering from a disaster doesn't begin with clearing the debris and returning to work. Imagine stepping into your store, or restaurant, or the office where you run your business, a day or two after the fire has been contained, the tornado has passed, or floodwaters have receded. First come the questions: "How much will it cost to rebuild? Will my insurance cover all this? How will I pay my employees and vendors and cover the bills during the recovery phase?" Now is a good time to start, or update and test your business continuity plan. And while SBA disaster loans go a long way toward revitalizing communities devastated by the economic fallout that follows disasters, with a solid preparedness plan in place, your business will be able to recover sooner, without taking on new debt.

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

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

Meanwhile, here are a few preparedness tips to consider:

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

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

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

# ADVOCACY AND OMBUDSMAN

## Watching Out for Small Business Interests

## OFFICE OF ADVOCACY

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

Headed by the chief counsel for advocacy, the office also funds outside research of small business issues and produces numerous publications to inform policy makers about the important role of small businesses in the economy and the impact of government policies on small businesses. In addition, the office monitors federal agency compliance with the Regulatory Flexibility Act – the law that requires agencies to analyze the impact of their proposed regulations on small entities (including small businesses, small governmental jurisdictions and small nonprofit organizations), and consider regulatory alternatives that minimize the economic burden on small entities.

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

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

## OFFICE OF THE NATIONAL OMBUDSMAN

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

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

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

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

Learn more about the National Ombudsman at **www.sba.gov/ombudsman** or call 888-REG-FAIR.

# ADDITIONAL RESOURCES

## Taking Care of Startup Logistics

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

## BUSINESS LICENSES

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

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

### Special Licenses, Permits and Other Regulations

Some businesses require special licenses and permits, or must meet additional regulations. Ventures which entail the handling and/or processing of foods must meet sanitary standards of the Mississippi State Board of Health; an owner of this type of business should contact the county health department. Stove ventilation systems in restaurants must conform with local fire prevention codes; a restaurant owner should contact the local fire department for guidance. Businesses which sell alcoholic beverages, tobacco, firearms or ammunition should contact the following agencies which have control over the sale of these items: United States Treasury Department's Bureau of Alcohol, Tobacco and Firearms and the Mississippi State Tax Commission's Alcoholic Beverage Control Bureau (ABC). The ABC not only grants or denies licenses for the sale of alcoholic beverages, but it is the state's only wholesaler of wines and liquors.

The Office of the Secretary of State can direct businesses to state agencies, which may require special licenses, permits, examinations and other types of certification. The Secretary's office compiles the Mississippi Official and Statistical Register, which provide information on such groups as the Board of Barber Examiners, the Board of Public Accountancy and the Commission on Health Care.

Contact the city or county fire department; county health department; United States Treasury Department, Mississippi State Tax Commission; Office of the Secretary of State of Mississippi Special Licenses.

### Building Codes, Permits and Zoning

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

### Barrier-Free Design

In 1992, the Americans with Disabilities Act mandated federal requirements concerning barrier-free design. These regulations are intended to ensure that public facilities are accessible to and usable by all citizens, including elderly persons, wheelchair users and individuals with permanent or temporary conditions that reduce coordination or mobility or make walking difficult and insecure. Structures that undergo an alteration must comply to a certain degree with the barrier-free requirements. For more information, contact the U.S. Department of Justice ADA information line at 800-514-0301. Request Publication, ADA Guide for Small Business.

## FICTITIOUS BUSINESS NAME

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

## BUSINESS INSURANCE

Like home insurance, business insurance protects your business against fire, theft and other losses. Contact your insurance agent or broker. It is prudent for any business

to purchase a number of basic types of insurance. Some types of coverage are required by law, others simply make good business sense. The types of insurance listed below are among the most commonly used and are merely a starting point for evaluating the needs of your business.

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

***Property*** – There are many different types of property insurance and levels of coverage available. It is important to determine the property insurance you need to ensure the continuation of your business and the level of insurance you need to replace or rebuild. You must also understand the terms of the insurance, including any limitations or waivers of coverage.

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

***"Key Man"*** – If you (and/or any other individual) are so critical to the operation of your business that it cannot continue in the event of your illness or death, you should consider "key man" insurance. This type of policy is frequently required by banks or government loan programs. It also can be used to provide continuity of operations during a period of ownership transition caused by the death, incapacitation or absence due to a Title 10 military activation of an owner or other "key" employee.

***Automobile*** – It is obvious that a vehicle owned by your business should be insured for both liability and replacement purposes. What is less obvious is that you may need special insurance (called "non-owned automobile coverage") if you use your personal vehicle on company business. This policy covers the business' liability for any damage which may result from such usage.

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

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

## TAXES

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

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

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

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

### INCOME TAXES

Different types of businesses (i.e., sole proprietorships, partnerships and corporations) have different income tax requirements. One of the primary considerations in choosing a legal structure for your business is the tax implications of a particular structure. Each of the various types of legal structures has different requirements regarding filing dates, forms required and tax calculations. The fact that a business does not show a profit does not release it from its obligations to file the proper income tax forms.

Both state and federal income tax returns are due by April 15 of each year. Profits or losses from sole proprietorships, partnerships, S corporations and limited liability companies are reported on individual or joint income tax returns. Generally, a sole proprietor or an individual who has an interest in a partnership, S corporation or a limited liability company files state and federal declarations of estimated income. The state and federal government have somewhat different rules governing individual estimated income taxes.

However, the installment due dates are the same which are April 15, June 15, September 15 and January 15. Self-employment taxes are imposed at the federal level and can be paid to the Internal Revenue Service when an individual files his annual income tax return for the past year.

Contact the Internal Revenue Service; Mississippi State Tax Commission; an Accountant.

### PAYROLL TAXES

Any business with employees of any type must comply with federal and state payroll requirements. This is true even if you are the sole employee of a corporation which you own. It is critical that you understand the various deadlines and requirements, or that you use the services of someone who does. The major types of payroll taxes in Mississippi are: Income Tax Withholding (federal and state); Federal Social Security Tax (FICA); Federal Unemployment Tax (FUTA); and Mississippi Unemployment Tax.

### SALES TAX

The sale of many types of tangible goods in Mississippi incurs a sales tax. It is the responsibility of the business to collect this tax, keep accurate records and remit the funds according to established guidelines. Failure to comply with the sales tax requirements can result in serious financial consequences for the business. For more information contact the: Mississippi State Tax Commission at 601-923-7000 or visit their website at: www.mstc.state.ms.us/index.html

## FEDERAL PAYROLL TAX (EIN NUMBERS)

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

You may apply for an EIN in

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

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

## FEDERAL SELF-EMPLOYMENT TAX

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

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

## SALES TAX EXEMPTION CERTIFICATE

If you plan to sell products, you will need a Sales Tax Exemption Certificate. It allows you to purchase inventory, or materials, which will become part of the product you sell, from suppliers without paying taxes. It requires you to charge sales tax to your customers, which you are responsible for remitting to the state. You will have to pay penalties if it is found that you should have been taxing your products and now owe back taxes to the state. For information on sales tax issues, contact your state government.

## FEDERAL INCOME TAX

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

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

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

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

## FEDERAL PAYROLL TAX

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

### Employees vs. Contract Labor

Individuals may provide services to your business as either employees or as contractors. Which status an individual has affects your taxes, liability, benefit costs and many other areas of your business. The question of employee vs. contractor is therefore critical, but it is not simple. There are many different tests the IRS may apply to determine whether an individual is an employee or a contractor. Improperly classifying someone whom the IRS considers an employee as a contractor can result in very stiff penalties. If you wish to consider using contractors instead of employees in your business, it is important that you consult with a competent tax advisor prior to making a decision. Contact the IRS for more information on contract/labor services at 800-829-1040.

## IRS WEB PRODUCTS FOR SMALL BUSINESSES

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

## VIRTUAL SMALL BUSINESS WORKSHOP

**www.tax.gov/virtualworkshop/**

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

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

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

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

The Tax Calendar for Small Businesses and Self-Employed contains useful information on general business taxes, IRS and SSA customer assistance, electronic filing and paying options, retirement plans, business publications and forms, common tax filing dates, and federal legal holidays.

## SOCIAL SECURITY CARDS

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

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

## EMPLOYEE CONSIDERATIONS

### Taxes

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

**Social Security Administration**

800-772-1213
www.ssa.gov

### Social Security's Business Services Online

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

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

**Federal Withholding**

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

### Health Insurance

Compare plans in your area at **www.healthcare.gov**.

### Employee Insurance

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

## WORKPLACE DISABILITY PROGRAMS

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

## U.S. CITIZENSHIP AND IMMIGRATION SERVICES

The Federal Immigration Reform and Control Act of 1986 requires employers to verify employment eligibility of new employees. The law obligates an employer to process Employment Eligibility Verification Form I-9. The U.S. Citizenship and Immigration Services Office of Business Liaison offers a selection of information bulletins and live assistance through the Employer Hotline. For forms call 800-870-3676, for the Employer Hotline call 800-357-2099.

## BUSINESS ORGANIZATION: Choosing Your Business Structure

There are many forms of legal structure you may choose for your business. Each legal structure offers organizational options with different tax and liability issues. We suggest you research each legal structure thoroughly and consult a tax accountant and/or attorney prior to making your decision.

The most common organizational structures are sole proprietorships, general and limited partnerships and limited liability companies.

Each structure offers unique tax and liability benefits. If you're uncertain which business format is right for you, you may want to discuss options with a business counselor or attorney.

### Sole Proprietorship

One person operating a business as an individual is a sole proprietorship. It's the most common form of business organization. Profits are taxed as income to the owner personally. The personal tax rate is usually lower than the corporate tax rate. The owner has complete control of the business, but faces unlimited liability for its debts. There is very little government regulation or reporting required with this business structure.

### General Partnership

A partnership exists when two or more persons join together in the operation and management of a business. Partnerships are subject to relatively little regulation and are fairly easy to establish. A formal partnership agreement is recommended to address potential conflicts such as: who will be responsible for performing each task; what, if any, consultation is needed between partners before major decisions, and what happens when a partner dies. Under a general partnership each partner is liable for all debts of the business. Profits are taxed as income to the partners based on their ownership percentage.

### Limited Partnership

Like a general partnership, a limited partnership is established by an agreement between two or more persons. However, there are two types of partners.

- A general partner has greater control in some aspects of the partnership. For example, only a general partner can decide to dissolve the partnership. General partners have no limits on the dividends they can receive from profit so they incur unlimited liability.
- Limited partners can only receive a share of profits based on the proportional amount of their investment, and liability is similarly limited in proportion to their investment.

### LLCs and LLPs

The limited liability company is a relatively new business form. It combines selected corporate and partnership characteristics while still maintaining status as a legal entity distinct from its owners. As a separate entity it can acquire assets, incur liabilities and conduct business. It limits liability for the owners. The limited liability partnership is similar to the LLC, but it is for professional organizations.

### E-Verify: Employment Eligibility Verification

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

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

## SAFETY AND HEALTH REGULATIONS

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

**Federal Occupation Safety & Health Administration**
Department of Labor
200 Constitution Ave.
Washington, DC 20210
866-487-2365

**JACKSON AREA OFFICE**
Dr. A.H. McCoy Federal Building
100 W. Capitol St., Ste. 749
Jackson, MS 39269
601-965-4606

**U.S. Department of Labor**
Dr. A.H. McCoy Federal Building
100 W. Capitol St., Ste. 725
Jackson, MS 39269
601-965-4347

**U.S. Equal Employment Opportunity Commission**
Dr. A.H. McCoy Federal Building
100 W. Capitol St., Ste. 207
Jackson, MS 39269
800-669-4000
www.eeco.gov

Use of hazardous substances in businesses is highly regulated and there are heavy fines for non-compliance.

**U.S. Environmental Protection Agency**
Ariel Rios Bldg.
1200 Pennsylvania Ave. N.W.
Washington, DC 20460
202-272-0167
www.epa.gov

**Mississippi Department of Environmental Quality**
515 E. Amite St.
Jackson, MS 39201
601-961-5171 or 888-786-0661 Toll Free

### Workers' Compensation Insurance

All employers that regularly employ four or more part-time employees at one time, or employed one or more persons for at least 13 weeks during the preceding 52 weeks, are required to have workers' compensation insurance. The majority of employers in Mississippi obtain workers' compensation coverage through policies purchased from commercial insurance companies. Premium rates may vary widely, so it may pay to shop carefully. Contact the Mississippi Workers' Compensation Commission toll free at 866-473-6922 or via email at: www.mwcc.state.ms.us/.

### Unemployment Insurance

Unemployment insurance protects workers who lose their jobs through no fault of their own. The funds to pay workers who are covered under this type of insurance are accumulated from taxes on the wages of employees during their employment. Both state and federal unemployment taxes are paid by employers. No deductions can be made from an employee's wages to cover these taxes. The publication, Employer Rights and Responsibilities, provides a good, easy-to-understand overview of Mississippi's unemployment system. To obtain a copy of this publication, or to obtain registration forms, contact the:

**Mississippi Employment Security Commission**
Employment Security Bldg.
1520 W. Capitol St.
Jackson, MS 39203
601-354-8711

Federal Unemployment Insurance (FUTA) is collected by the IRS. When you file your application for a Federal Employer Identification Number (FEIN) with the IRS and indicate you have employees, the IRS will send you a packet of forms.

## BUILDING CODES, PERMITS AND ZONING

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

## BAR CODING

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

### Federal Registration of Trademarks and Copyrights

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

**U.S. Patent and Trademark Office:**
P.O. Box 1450
Alexandria, VA 22313-1450
800-786-9199
www.uspto.gov/

**Trademark Information Hotline**
703-308-9000

## STATE REGISTRATION OF A TRADEMARK

Trademarks and service marks may be registered in a state.
*Caution:* Federally registered trademarks may conflict with and supersede state registered business and product names.

### Patents

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

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

**U.S. Patent and Trademark Office**
800-786-9199 • www.uspto.gov

### Copyrights

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

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

## OTHER RESOURCES

**Gulf Coast Business Council**
11975 Seaway Rd., Ste. A-120
Gulfport, MS 39503
228-897-2020
www.msgcbc.org

**Better Business Bureau (BBB) of Mississippi**
505 Avalon Way, Ste. B
Brandon, MS 39407
Toll Free in MS 800-987-8280 or
601-707-0960
http://ms.bbb.org

# OTHER SOURCES OF ASSISTANCE

## Mississippi Development Authority

**www.mississippi.org**

The Mississippi Development Authority (MDA), formerly the Department of Economic and Community Development, provides a wide variety of services that encourage economic growth in the state. The MDA is the state agency having primary responsibility for assisting existing businesses with expansion plans and creating new businesses, both within the state and from national and international recruiting.

The department provides information and assistance on many business and industrial topics, markets, labor availability, site data, raw material sources and other related subjects in the area of existing industry and business.

Areas of Assistance for Existing Industry and Business

- Community Services
- Employment Training
- Energy
- Existing Industry and Business
- Financial Resources
- Foreign Trade Zones
- International Development
- National Development
- Minority and Small Business Division

Service Areas and Locations by County of Existing Industry and Business Field Offices

**DISTRICT 1**
**MDA NORTH DELTA REGIONAL OFFICE**
910 E.F. Hale Dr.
Senatobia, MS 38668
662-562-0410 • 662-562-0407 Fax
Serving DeSoto, LaFayette, Marshall, Tate and Tunica counties.

**DISTRICT 2**
**MDA NORTHEAST REGIONAL OFFICE**
330 W. Jefferson
Tupelo, MS 38804
662-844-5413 • 662-842-3667 Fax
Serving Alcorn, Benton, Chickasaw, Itawamba, Lafayette, Lee, Monroe, Pontotoc, Prentiss, Tippah, Tishomingo and Union counties.

**DISTRICT 3**
**MDA NORTHWEST REGIONAL OFFICE**
115 Fulton St.
Greenwood, MS 38930
662-455-4508 • 662-455-7903 Fax
Serving Attala, Bolivar, Calhoun, Carroll, Coahoma, Grenada, Holmes, Humphreys, Issaquena, LeFlore, Montgomery, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Washington,
Yalobusha, and Yazoo counties.

**DISTRICT 4**
**MDA EAST CENTRAL REGIONAL OFFICE**
2401 11th St.
Meridian, MS 39301
601-692-2005 • 601-484-2579 Fax
Serving Choctaw, Clay, Kemper, Lauderdale, Leake, Lowndes, Neshoba, Newton, Noxubee, Oktibbeha, Scott, Webster and Winston counties.

**DISTRICT 5**
**MDA WEST CENTRAL REGIONAL OFFICE**
501 North West St., Ste. 428
Jackson, MS 39201
601-359-2457 • 601-359-5042 Fax
Serving Hinds, Madison, and Rankin counties.

**DISTRICT 6**
**MDA SOUTHWEST REGIONAL OFFICE**
1156 College Dr., Rm. 149
Summit, MS 39666-0728
601-276-3089 • 601-276-3870 Fax
Serving Adams, Amite, Claiborne, Copiah, Franklin, Jefferson, Jefferson Davis, Lawrence, Lincoln, Marion, Pike, Simpson, Walthall, Warren and Wilkinson counties.

**DISTRICT 7**
**MDA SOUTHEAST REGIONAL OFFICE**
46 Shelby Thames Dr.
Hattiesburg, MS 39402
601-545-4001 • 601-545-4006 Fax
Serving Clarke, Covington, Forrest, George, Greene, Hancock, Jackson, Jasper, Jones, Lamar, Pearl River, Perry, Smith, Stone, and Wayne counties.

**MISSISSIPPI DEVELOPMENT AUTHORITY**
P.O. Box 849
Jackson, MS 39205
601-359-3449 • 601-359-2832 Fax

**MAGNOLIA BUSINESS ALLIANCE**

The Magnolia Business Alliance (MBA) is a not-for-profit corporation acting as a support organization and forum for the advancement of small and medium businesses(SMB) in the Southeastern US. MBA consists entirely of SMB leaders providing mentorship, training, logistics, and other support as needed to facilitate the development of new companies, a better environment for existing companies, and foster community and national awareness of issues affecting small businesses.
13131 Hwy. 603, Ste. 208
Bay Saint Louis, MS 39520
228-295-7117 • 228-295-7119 Fax
www.magnolia-ba.biz

## Mississippi Association of Planning and Development Districts (MAPDD)

Planning and Development Districts are regional development organizations created to address economic development through a multi-faceted approach unique to the specific region and jurisdiction being served. There are a variety of programs and activities available through the statewide network of Planning and Development Districts for existing businesses. Within each area, specific types of assistance vary as do the unique requirements of the different regions. Generally, if there is a source of assistance available from one district, other areas may access this source of assistance through technology transfer or joint venture.

In addition to specific sources of individualized technical aid, the Districts maintain area-wide eligibility for many types of federal and state programs. Also, each district has been designated by both state and federal executive order to serve as a regional clearinghouse, and, if direct aid is not available, a quick referral and follow-up will be made.

Areas of Assistance for Existing Industry and Business

- Community Development
- Economic Development Financing
- Employment Training Assistance
- Information and Data Services
- General Technical Assistance

Service Areas and Locations by County of Existing Industry and Business Field Offices

**CENTRAL MISSISSIPPI PDD**
1170 Lakeland Dr./P.O. Box 4935
Jackson, MS 39296
601-981-1511 • 601-981-1515 Fax
Serving Copiah, Hinds, Madison, Rankin, Simpson, Warren and Yazoo counties.

**EAST CENTRAL MISSISSIPPI PDD**
280 Commercial Dr./P.O. Box 499
Newton, MS 39345
601-683-2007 • 601-683-7873 Fax
Serving Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott and Smith counties.

**GOLDEN TRIANGLE PDD**
106 Miley Rd./P.O. Box 828
Starkville, MS 39760-0828
662-324-7860 • 662-324-7328 Fax
Serving Choctaw, Clay, Lowndes, Noxubee, Oktibbeha, Webster and Winston counties.

**NORTH CENTRAL PDD**
711B S. Applegate
Winona, MS 38967
662-283-2675 • 662-283-5875 Fax
Serving Attala, Carroll, Montgomery, Grenada, Holmes, LeFlore and Yalobusha counties.

**NORTH DELTA PDD**
220 Power Dr./P.O. Box 1488
Batesville, MS 38606
662-561-4100 • 662-561-4112 Fax
Serving Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate and Tunica counties.

**NORTHEAST MISSISSIPPI PDD**
619 E. Parker Dr./P.O. Box 600
Booneville, MS 38829
662-728-6248 • 662-728-2417 Fax
Serving Alcorn, Benton, Marshall, Prentiss, Tippah and Tishomingo counties.

**SOUTH DELTA PDD**
124 S. Broadway/P.O. Box 1776
Greenville, MS 38702
662-378-3831 • 662-378-3834 Fax
Serving Bolivar, Humphreys, Issaquena, Sharkey, Sunflower and Washington counties.

**SOUTHERN MISSISSIPPI PDD**
9229 Hwy. 49
Gulfport, MS 39503
228-868-2311 • 228-868-7094 Fax
Serving Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne counties.

**SOUTHWEST MISSISSIPPI PDD**
100 S. Wall St.
Natchez, MS 39120
601-446-6044 • 601-446-6071 Fax
Serving Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson counties.

**THREE RIVERS PDD**
75 South Main St./P.O. Box 690
Pontotoc, MS 38863
662-489-2415 • 662-489-6815 Fax
Serving Calhoun, Chickasaw, Itawamba, Lafayette, Lee, Monroe, Pontotoc and Union counties.

**MISSISSIPPI ASSOCIATION OF PLANNING AND DEVELOPMENT DISTRICTS (MAPDD)**
1170 Lakeland Dr./P.O. Box 4935
Jackson, MS 39296
601-981-1511 • 601-981-1515 Fax

**CENTER FOR ENTREPRENEURSHIP**
The Center for Entrepreneurship is a special assistance business center whose focus is women, minorities and the underserved. The center offers support, training, counseling, mentoring, and other resources for start-ups and existing businesses. Business counseling services are provided with a unique hands-on approach and at no cost.

**MISSISSIPPI UNIVERSITY OF WOMEN**
1100 College St., MUW-969
Columbus, MS 39701
662-241-6277
wceinfo@muw.edu
www.muw.edu/wce/

## Innovate Mississippi / InnovateMEP Mississippi The Mississippi Angel Network

The Mississippi Angel Network is a group of accredited investors interested in reviewing fundraising presentations ranging from $500,000 to $5 million from Mississippi-based technology companies seeking seed and growth capital. The Network is administered by Innovate Mississippi. InnovateMEP Mississippi is a nonprofit organization helping Mississippi manufacturers to be globally competitive. Their community college- and university-based InnovateMEP Mississippi Centers provide small- and medium-sized manufacturers the tools to innovate, create and retain jobs, increase profits and save time and money.

**INNOVATE MISSISSIPPI**
**INNOVATEMEP MISSISSIPPI**
134 Marketridge Dr.
Ridgeland, MS 39157
601-960-3616
www.innovatemep.ms
www.innovate.ms

## MyBiz.am

Connects Alabama and Mississippi entrepreneurs to people and organizations that provide helpful services. MyBiz.am also connects to Internet resources and communities that value entrepreneurs.

**THE MONTGOMERY INSTITUTE**
200 24th Ave. S./P.O. Box 1889
Meridian, MS 39301
601-483-2661 • 601-483-2641 Fax
tmichris@bellsouth.net
www.MyBiz.am

## Business Bureau

The Better Business Bureau serves as the preeminent source of information relating to ethical business and advertising practices and is a major provider of marketplace dispute resolution services.

**THE BETTER BUSINESS BUREAU OF MISSISSIPPI, INC.**
505 Avalon Way, Ste. B
Brandon, MS 39047
601-398-1700 or 800-987-8280
www.ms.bbb.org

## Credit Bureaus

The Fair Credit Reporting Act (FCRA) requires credit reporting agencies (CRA's) to furnish correct and complete information for businesses to use when evaluating your application for loans, insurance, employment, leases, etc. You have the right to know all the information in your credit report, including the source of the information in most cases, and the right to a free copy of your credit report when your application is denied because of information supplied by the CRA. Your request must be made within 30 days of receiving your denial notice.

**EXPERIAN**
P.O. Box 9600
Allen, TX 75013
888-397-3742
www.experian.com

**EQUIFAX**
P.O. Box 105873
Atlanta, GA 30348
800-685-1111
www.equifax.com

**TRANSUNION**
P.O. Box 2000
Springfield, PA 19022
800-916-8800
www.tuc.com

## Mississippi Chamber Resource Centers

**AREA DEVELOPMENT PARTNERSHIP**
P.O. Box 751
Hattiesburg, MS 39403
601-296-7500

**ARKANSAS/MISSISSIPPI MINORITY BUSINESS COUNCIL (AMMBC)**
1230 Raymond Rd./P.O. Box 600
Jackson, MS 39204
601-826-6527 • 601-965-0371 Fax
info@ammbc.org
www.ammbc.org

**BALDWYN CoC**
202 S. Second St./P.O. Box 40
Baldwyn, MS 38824
662-365-1050

**BELZONI-HUMPHREYS DEVELOPMENT FOUNDATION**
111 Magnolia St./P.O. Box 145
Belzoni, MS 39038
662-247-4838

**BILOXI CoC**
11975 E. Seaway Rd.
Gulfport, MS 39503
228-604-0014

**BILOXI BAY CoC**
1050 Beach Blvd.
Biloxi, MS 39530
228-435-6149

**BOONEVILLE CoC**
100 W. Church St./P.O. Box 927
Booneville, MS 38829
662-728-4130

**BROOKHAVEN-LINCOLN COUNTY CoC**
P.O. Box 978
Brookhaven, MS 39602
601-833-1411

**BRUCE CoC**
P.O. Box 1013
North Side of Square
Bruce, MS 38915
662-983-2222

**CALHOUN CITY CoC**
102 S. Monroe St./P.O. Box 161
Calhoun City, MS 38916
662-628-6990

**CANTON CoC**
226 E. Peace St./P.O. Box 74
Canton, MS 39046
601-859-5816

**CLARKE COUNTY CoC**
P.O. Box 172
Quitman, MS 39355
601-776-5701

**CLEVELAND-BOLIVAR COUNTY CoC**
600 Third St./P.O. Box 490
Cleveland, MS 38732
662-843-2712

**CLINTON CoC**
P.O. Box 143
Clinton, MS 39060-0143
601-924-5912

**COAHOMA COUNTY CoC AND INDUSTRIAL FOUNDATION**
P.O. Box 160
Clarksdale, MS 38614
662-627-7337

**COLUMBUS-LOWNDES CoC**
P.O. Box 1016
Columbus, MS 39703
662-328-4491

**CORINTH CoC**
The Alliance
810 Tate St./P.O. Box 1089
Corinth, MS 38834
662-287-5269

**COVINGTON COUNTY CoC**
104 Fir Ave./P.O. Box 1595
Collins, MS 39428
601-765-6012

**CRYSTAL SPRINGS CoC**
210 E. Railroad Ave./P.O. Box 519
Crystal Springs, MS 39059
601-892-2711

**D'IBERVILLE-ST. MARTIN CoC**
10491 Lemoyne Blvd.
D'Iberville, MS 39540
228-392-2293

**DREW CoC**
129 Shaw Ave.
Drew, MS 38737
662-745-8975

**EAST MISSISSIPPI BUSINESS DEVELOPMENT CORPORATION**
P.O. Box 790
Meridian, MS 39302
601-693-1306

**FOREST CoC**
120 S. Davis St./P.O. Box 266
Forest, MS 39074
601-469-4332

**GEORGE COUNTY CoC**
P.O. Box 441
Lucedale, MS 39452-0441
601-947-2755

**GREATER JACKSON CHAMBER PARTNERSHIP**
201 S. President St./P.O. Box 22548
Jackson, MS 39225
601-948-7575

**GREENVILLE AREA CoC**
P.O. Drawer 933
Greenville, MS 38701
662-378-3141

**GREENWOOD-LEFLORE COUNTY CoC**
P.O. Box 848
Greenwood, MS 38935-0848
662-453-4152

**GRENADA COUNTY CoC**
P.O. Box 628
Grenada, MS 38902-0628
662-226-2571

**GULF COAST CoC**
11975 E. Seaway Rd.
Gulfport, MS 39503
228-604-0014

**HANCOCK COUNTY CoC**
111 Court St.
Bay St. Louis, MS 39520
228-467-9048

**HAZLEHURST CoC**
P.O. Box 446
Hazlehurst, MS 39083
601-894-3752

**HERNANDO CoC**
2440 Hwy. 51 S.
Hernando, MS 38632
662-429-9055

**HOLLY SPRINGS CoC**
148 E. College Ave.
Holly Springs, MS 38635
662-252-2943

**HOLMES COUNTY CoC**
103 W. China St.
Lexington, MS 39645
662-834-3372

**HORN LAKE CoC**
3010 Goodman Rd. W., Ste. B
Horn Lake, MS 38637
662-393-9897

**HOUSTON CoC**
Chickasaw Development Foundation
P.O. Box 505
Houston, MS 38851
662-456-2321

**INDIANOLA CoC**
315 Main St.
Indianola, MS 38751
662-887-4454

**ITAWAMBA COUNTY CoC**
107 W. Wiygul St./P.O. Box 577
Fulton, MS 38843
662-862-4571

**JACKSON COUNTY AREA CoC**
720 Krebs Ave.
Pascagoula, MS 39587
228-762-3391

**JEFFERSON DAVIS COUNTY CoC**
P.O. Box 1797
Prentiss, MS 39474
601-792-5142

**JONES COUNTY CoC**
153 Base Dr.
Laurel, MS 39440-5849
601-428-0574

**KEMPER COUNTY CoC**
102 Industrial Park Dr./P.O. Box 518
DeKalb, MS 39328
601-743-2754

**KOSCIUSKO-ATTALA CoC**
124 N. Jackson/P.O. Box 696
Kosciusko, MS 39090
662-289-2981

**LAMAR COUNTY CoC**
P.O. Box 598
Purvis, MS 39475
601-794-1011

**LAWRENCE COUNTY CoC**
P.O. Box 996
Monticello, MS 39654
601-587-3007

**LEAKE COUNTY CoC AND INDUSTRIAL DEVELOPMENT**
P.O. Box 209
Carthage, MS 39051
601-267-9231

**LELAND CoC**
P.O. Box 67
Leland, MS 38756
662-686-2687

**LONG BEACH CoC**
11975 E. Seaway Rd.
Gulfport, MS 39503
228-604-0014

**LOUISVILLE-WINSTON COUNTY CoC**
311 W. Park St./P.O. Box 551
Louisville, MS 39339
662-773-3921

**MADISON CITY CoC**
2023 Main St./P.O. Box 544
Madison, MS 39130
601-856-7060

**MADISON COUNTY CoC**
618 Crescent Blvd., Ste. 101
Ridgeland, MS 39157
601-605-2554

**MAGEE CoC**
117 N.W. 1st Ave.
Magee, MS 39111
601-849-2517

**MARION COUNTY CoC**
200 Second St.
Columbia, MS 39429
601-736-6385

**MENDENHALL CoC**
P.O. Box 635
Mendenhall, MS 39114
601-847-1725

**MONROE COUNTY CoC**
124 W. Commerce St./P.O. Box 72
Aberdeen, MS 39730
662-369-6488

**MONROE COUNTY CoC**
1619 Hwy. 25 N./P.O. Box 128
Amory, MS 38821
662-256-7194

**MOORHEAD CoC**
P.O. Box 396
Moorhead, MS 38761
662-246-5461

**MORTON CoC**
P.O. Box 530
Morton, MS 39117
601-732-6135

**NATCHEZ-ADAMS COUNTY CoC**
211 Main St./P.O. Box 1403
Natchez, MS 39121
601-445-4611

**NEW ALBANY/UNION COUNTY CoC**
P.O. Box 125
New Albany, MS 38652
662-534-4354

**NEWTON CoC**
P.O. Box 301
Newton, MS 39345
601-683-2201

**NOXUBEE COUNTY CoC**
503 S. Washington St./P.O. Box 308
Macon, MS 39341
662-726-4456

**OCEAN SPRINGS CoC**
1000 Washington Ave.
Ocean Springs, MS 39564
228-875-4424

**OKOLONA CoC**
219 Main St./P.O. Box 446
Okolona, MS 38860
662-447-5913

**OLIVE BRANCH CoC**
6820 Cockrum St./P.O. Box 608
Olive Branch, MS 38654
662-895-2600

**ORANGE GROVE CoC**
13470 Hwy. 49
Gulfport, MS 39503
228-832-3028

**OXFORD-LAFAYETTE COUNTY CoC**
299 W. Jackson/P.O. Box 147
Oxford, MS 38655
662-234-4651

**PANOLA PARTNERSHIP**
107 Public Sq.
Batesville, MS 38606
662-563-3126

**PASS CHRISTIAN CoC**
11975 E. Seaway Rd.
Gulfport, MS 39503
228-604-0014

**PEARL CoC**
P.O. Box 54125
Pearl, MS 39288
601-939-3338

**PETAL CoC**
712-B S. Main St.
Petal, MS 39465
601-583-3306

**PHILADELPHIA-NESHOBA COUNTY CoC**
410 Poplar Ave., Ste. 101/P.O. Box 51
Philadelphia, MS 39350
601-656-1742

**PICAYUNE CoC**
201 Hwy. 11 N.
Picayune, MS 39466
601-798-3122

**PIKE COUNTY CoC & ECONOMIC DEVELOPMENT DISTRICT**
120 N. Railroad Blvd./P.O. Box 83
McComb, MS 39648
601-684-2291

**PONTOTOC COUNTY CoC**
81 S. Main/P.O. Box 530
Pontotoc, MS 38863
662-489-5042

**POPLARVILLE CoC**
P.O. Box 367
Poplarville, MS 39470
601-795-0578

**PORT GIBSON-CLAIBORNE COUNTY CoC**
U.S. Hwy. 61 S./P.O. Box 491
Port Gibson, MS 39150
601-437-4351

**RANKIN COUNTY CoC**
101 Service Dr./P.O. Box 428
Brandon, MS 39043
601-825-2268

**RIDGELAND CoC**
P.O. Box 194
Ridgeland, MS 39158-0194
601-991-9996

**RULEVILLE CoC**
110 E. Floyce St./P.O. Box 552
Ruleville, MS 38771
662-756-2997

**SARDIS-SARDIS LAKE CoC**
114 W. Lee St./P.O. Box 377
Sardis, MS 38666
662-487-3451

**SOUTHAVEN CoC**
8700 Northwest Dr.
Southaven, MS 38671
662-342-6114

**SOUTH PIKE AREA CoC**
180 S. Cherry St.
Magnolia, MS 39652
601-783-5267

**STARKVILLE CoC**
322 University Dr.
Starkville, MS 39759
662-323-5783

**STONE COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP**
115 Hatten Ave. E.
Wiggins, MS 39577
601-928-5418

**TATE COUNTY CoC**
105 B Center St.
Senatobia, MS 38668
662-562-8715

**TUNICA COUNTY CHAMBER**
1371 Main St./P.O. Box 2000
Tunica, MS 38676
662-363-2865

**TUPELO COMMUNITY DEVELOPMENT FOUNDATION**
P.O. Box A
Tupelo, MS 38802
662-842-4521

**UNION CoC**
400 Bank St.
Union, MS 39365
601-774-9586

**VERONA CoC**
194 Main St./P.O. Box 416
Verona, MS 38879
662-566-2211

**VICKSBURG-WARREN COUNTY CoC**
P.O. Box 709
Vicksburg, MS 39181
601-636-1012

**WALTHALL COUNTY CoC**
P.O. Box 227
Tylertown, MS 39667
601-876-2680

**WATER VALLEY CoC AND ECONOMIC DEVELOPMENT**
206 Main/P.O. Box 726
Water Valley, MS 38965
662-473-1122

**WAYNE COUNTY CoC**
P.O. Box 864
Waynesboro, MS 39367
601-735-3311

**YAZOO COUNTY CoC**
P.O. Box 172
Yazoo City, MS 39194
662-746-1273

## Other Sources of Assistance

**U.S. EXPORT ASSISTANCE CENTER**
Pellson Lau, Regional Manager
New Orleans U.S. Export Assistance Center
423 Canal St., Ste. 419
New Orleans, LA 70130
504-589-6730 • 202-481-1525 Fax
Pellson.lau@sba.gov
www.sba.gov/international

**EXPORT LEGAL ASSISTANCE NETWORK (ELAN)**
http://www.export-legal-assistance.org/
Get the answers to your export legal questions from the Export Legal Assistance Network (ELAN). Exports can mean big profits for a small business. But when you're just starting out, tariffs, regulatory requirements, distributorship agreements and other legal matters can be a little intimidating. The Export Legal Assistance Network program can help you over these first hurdles.

**EXPORT IMPORT BANK**
811 Vermont Ave. N.W.
Washington, D.C. 20571
202-565-3946 • 202-565-3380 Fax

**FOREIGN TRADE ZONES**
www.foreign-trade-zone.com

**MISSISSIPPI STATE PORT AUTHORITY**
2510 14th St., Ste. 1450/P.O. Box 40
Gulfport, MS 39501
228-865-4300 or 877-881-4367
www.shipmspa.com

**INNOVATE MISSISSIPPI**
134 Market Ridge Dr.
Ridgeland, MS 39157
601-960-3610 • 601-960-3605 Fax
www.innovate.ms

## Other Resources

**CONSUMER RESPONSE CENTER**
Federal Trade Commission
Consumer Response Center
600 Pennsylvania Ave. N.W., Rm. H-130
Washington, DC 20580
202-326-2222 • 202-362-2012 Fax

**COUNCIL OF BETTER BUSINESS BUREAUS, INC.**
3033 Wilson Blvd., Ste. 600
Arlington, VA 22201
www.bbb.org

**CHIEF POSTAL INSPECTOR ISOSG**
222 S. Riverdale Plaza, Ste. 1250
Chicago, IL 60606
www.usps.com/websites/depart/inspect

**DRUG FREE WORKPLACE**
www.drugfreeworkplace.com

**MISSISSIPPI CONTRACTOR LICENSING BOARD**
2679 Crane Ridge Dr., Ste. C
P.O. Box 320279
Jackson, 39216
601-354-6161 or 800-880-6161
www.msboc.us/

**MISSISSIPPI STATE DEPARTMENT OF HEALTH**
570 E. Woodrow Wilson Dr.
Jackson, MS 39216
601-576-7400

**DIVISION OF ENFORCEMENT**
Federal Trade Commission
600 Pennsylvania Ave. N.W.
Washington, DC 20580
202-326-2222 • 202-326-3197 Fax
www.ftc.gov/bcp/rn
To receive a 5-digit Registration Number (RN) for labels for textile manufacturing.

**FOR COMPANIES TO QUALIFY TO ACCEPT CREDIT CARDS CONTACT:**
Visa/Mastercard - Bank of Account
American Express
800-445-2639
Discover Card
800-347-6673

**FOR AMERICAN WITH DISABILITIES ACT DOCUMENTS AND GENERAL INFORMATION**
800-514-0301 or 800-514-0383
(or for TDD access, use your local relay service)
www.ada.gov

## Participating Lenders

**BANCORPSOUTH BANK**
One Mississippi Plaza
Tupelo, MS 38802
662-680-2345 • 662-680-2317 F

**BANKFIRST FINANCIAL SERVICES**
101 N Jefferson St.
Macon, MS 39341
662-726-5192 • 662-726-1222 F

**BANK OF ANGUILLA**
130 Holland St.
Anguilla, MS 38721
662-873-4346 • 662-873-2461 F

**BANK OF FOREST**
211 W. 3rd St.
Forest, MS 39074
601-469-3663 • 601-469-9143 F

**BANK OF FRANKLIN**
9 Main St.
Meadville, MS 39653
601-384-2305 • 601-384-2300 F

**BANK OF HOLLY SPRINGS**
970 Hwy. 7 S.
Holly Springs, MS 38635
662-252-2511 • 662-252-1816 F

**BANK OF KILMICHAEL**
120 N. Depot Ave.
Kilmichael, MS 39747
662-262-7844 • 662-262-7932 F

**BANK OF MORTON**
366 S. 4th St.
Morton, MS 39117
601-732-8944 • 601-732-8599 F

**BANK OF OKOLONA**
227 W. Main St.
Okolona, MS 38860
662-447-5403 • 662-447-5255 F

**BANK OF WALNUT GROVE**
101 Chadwick Ave.
Walnut Grove, MS 39189
601-253-2411 • 601-253-9317 F

**BANK OF WIGGINS**
109 W. Pine Ave.
Wiggins, MS 39577
601-928-5233 • 601-928-9217 F

**BANK OF WINONA**
312 N. Applegate St.
Winona, MS 38967
662-283-3231 • 662-283-3234 F

**BANK OF YAZOO CITY**
104 N. Main St.
Yazoo City, MS 39194
662-746-5421 • 662-751-1057 F

**BANKPLUS**
1068 Highland Colony Pkwy.
400 Concourse, Ste. 100
Ridgeland, MS 39157
601-898-8300 • 601-898-2873 F

**BIZCAPITAL BIDCO II, LLC**
909 Poydras St., Ste. 2230
New Orleans, LA 70112
504-832-1993 • 504-832-1589 F

**BNA BANK**
133 E Bankhead St.
New Albany, MS 38652
662-534-8171 • 662-534-6702 F

**BRITTON & KOONTZ BANK, NA**
500 Main St.
Natchez, MS 39120
601-445-5576 • 601-446-6124 F

**CELTIC BANK**
12121 Panama City Beach Pkwy.
Panama City Beach, FL 32407
866-644-0042 • 866-717-7718 F

**CENTURY BANK**
4282 Main St.
Lucedale, MS 39452
601-947-7511 • 601-766-4052 F

**CHARTER BANK**
1721 Medical Park Dr., Ste. 103
Biloxi, MS 39532
228-392-2330 • 228-392-2740 F

**CITIZENS BANK**
8077 Hwy. 178 W.
Byhalia, MS 38611
662-838-2146 • 662-838-5121 F

**CITIZENS BANK**
814 Main St.
Columbia, MS 39429
601-736-2601 • 601-736-8529 F

**CITIZENS BANK & TRUST CO.**
239 E. Main St.
Marks, MS 38646
662-326-8047 • 662-326-6077 F

**CITIZENS BANK, THE**
521 Main St.
Philadelphia, MS 39350
601-656-4692 • 601-656-4183 F

**CITIZENS NATIONAL BANK OF MERIDIAN, THE**
512 22nd Ave.
Meridian, MS 39301
601-693-1331 • 601-482-5855 F

**CLEVELAND STATE BANK**
110 Commerce Ave.
Cleveland, MS 38732
662-843-9461 • 662-846-5824 F

**COMMERCIAL BANK, THE**
175 Hopper Ave.
DeKalb, MS 39328
601-743-5871 • 601-743-5873 F

**COMMUNITY BANK, COAST**
677 Dr. Martin Luther King Jr. Blvd.
Biloxi, MS 39533
228-374-7755 • 228-374-7750 F

**COMMUNITY BANK**
202 W Jessamine St.
Ellisville, MS 39437
601-477-9361 • 601-477-2656 F

**COMMUNITY BANK OF MS**
1255 W. Government St.
Brandon, MS 39042
601-706-0130 • 601-825-3940 F

**COMMUNITY BANK, NORTH MS**
900 N. Main
Amory, MS 38821
662-256-8461 • 662-256-1315 F

**COMPASS BANK**
15 S. 20th St.
Birmingham, AL 35233
205-297-1986 • 205-297-7158 F

**COPIAH BANK, NA**
101 Caldwell Dr.
Hazlehurst, MS 39083
601-894-2831 • 601-894-3934 F

**COVENANT BANK**
206 Sharkey Ave.
Clarksdale, MS 38614
662-621-1869 • 662-621-1968 F

**COVINGTON COUNTY BANK**
102 S Dogwood Ave.
Collins, MS 39428
601-765-6551 • 601-765-0312 F

**DESOTO COUNTY BANK**
6040 Hwy. 51 N.
Horn Lake, MS 38637
662-393-3277 • 662-393-3177 F

**FARMERS & MERCHANTS BANK**
P111 W. Clayton St.
Baldwyn, MS 38824
662-365-1200 • 662-365-1252 F

**FIRST AMERICAN NATIONAL BANK**
1251 First American Dr.
Iuka, MS 38852
662-423-9551 • 662-423-1039 F

**FIRST BANK**
100 S Broadway & 3rd St.
McComb, MS 39648
601-684-2231 • 601-249-2738 F

**FIRST COMMERCIAL BANK**
1300 Meadowbrook Rd.
Jackson, MS 39211
601-709-7777 • 601-366-8733 F

**FIRST FINANCIAL BANK**
510 Hwy. 35 S.
Carthage, MS 39051
601-267-0095 • 601-267-0039 F

**FIRST NATIONAL BANK**
19 S. Main St.
Pontotoc, MS 38863
662-489-1631 • 662-489-6626 F

**FIRST NATIONAL BANK OF CLARKSDALE**
402 E. Second St.
Clarksdale, MS 38614
662-627-3261 • 662-627-1892 F

**FIRST NATIONAL BANK OF PICAYUNE**
121 E. Canal St.
Picayune, MS 39466
601-749-3200 • 601-798-4796 F

**FIRST NATIONAL BANK OXFORD**
101 Courthouse Sq.
Oxford, MS 38655
662-234-2821 • 662-234-8693 F

**FIRST SECURITY BANK**
295 Hwy. 6 W.
Batesville, MS 38606
662-563-9311 • 662-563-7380 F

**FIRST SOUTH FARM CREDIT**
574 Highland Colony Pkwy.
Ridgeland, MS 39157
601-977-8381 • 601-977-8388 F

**FIRST SOUTHERN BANK**
1075 Hwy. 98
Columbia, MS 39429
601-736-6378 • 601-736-2108 F

**FIRST STATE BANK**
146 W. College Ave.
Holly Springs, MS 38635
662-252-4211 • 662-252-1845 F

**FIRST STATE BANK**
708 Azalea Dr.
Waynesboro, MS 39367
601-735-3124 • 601-671-0948 F

**GRAND BANK FOR SAVINGS, FSB**
204 Westsover Dr.
Hattiesburg, MS 39402
601-264-1467 • 601-264-5805 F

**GREAT SOUTHERN NATIONAL BANK**
218 22nd Ave. S.
Meridian, MS 39302
601-693-5141 • 601-693-0921 F

**GUARANTY BANK & TRUST**
210 Hayden St.
Belzoni, MS 39038
662-247-1454 • 662-247-3156 F

**HANCOCK BANK**
2510 14th St.
Gulfport, MS 39502
228-868-4000 • 228-868-4675 F

# SBA PARTICIPATING LENDERS



**HOLMES COUNTY BANK & TRUST**
316 Court Sq.
Lexington, MS 39095
662-834-2311 • 662-834-2189 F

**HOPE FEDERAL CREDIT UNION**
4 Old River Place, Ste. A
Jackson, MS 39202
601-944-1100 • 601-944-0808 F

**JEFFERSON BANK, THE**
1445 Main St.
Fayette, MS 39069
601-786-3191 • 601-786-6380 F

**MAGNOLIA STATE BANK**
15 E. 6th Ave.
Bay Springs, MS 39422
228-764-2265 • 228-764-6411 F

**MECHANICS BANK**
319 N. Main St.
Water Valley, MS 38965
662-473-2261 • 662-473-4948 F

**M&F BANK**
411 Hwy. 80 E.
Clinton, MS 39056
601-924-8389 • 662-924-1499 F

**MERCHANTS & MARINE BANK**
2802 Bienville Blvd.
Ocean Springs, MS 39564
228-872-2800 • 228-872-3788 F

**MERCHANTS & MARINE BANK**
3118 Pascagoula St.
Pascagoula, MS 39568
228-762-4034 • 228-769-7105 F

**MERCHANTS & PLANTERS**
308 Raymond Sq.
Raymond, MS 39154
601-857-8044 • 601-857-8855 F

**METROPOLITAN BANK**
1069 Highland Colony Pkwy.
Ridgeland, MS 39157
601-853-0000 • 601-853-0009 F

**NEWTON COUNTY BANK**
114 E. Church St.
Newton, MS 39345
601-683-3101 • 601-683-6310 F

**OMNIBANK**
236 E. Capitol St.
Jackson, MS 39225
601-355-1000 • 601-949-5577 F

**OXFORD UNIVERSITY BANK**
2301 W. Jackson Ave.
Oxford, MS 38655
662-234-0622 • 662-234-0722 F

**PEOPLES BANK**
611 5th Ave.
Magee, MS 39111
601-849-2210 • 601-849-2159 F

**PEOPLES BANK**
160 E. Maud Ave.
Mendenhall, MS 39114
601-847-2210 • 601-847-1414 F

**PIKE NATIONAL BANK**
350 Rawls Dr.
McComb, MS 39648
601-684-7575 • 601-684-7113 F

**PLANTERS BANK & TRUST**
212 Catchings Ave.
Indianola, MS 38751
662-887-3363 • 662-887-6789 F

**PRIORITYONE BANK**
220 Main Ave. N.
Magee, MS 39111
601-849-3311 • 601-849-6439 F

**REGIONS BANK**
250 Riverchase Pkwy.
Birmingham, AL 35244
205-560-5081 • 205-560-8881 F

**RENASANT BANK**
209 Troy St.
Tupelo, MS 38804
662-680-1001 • 662-680-1238 F

**RICHTON BANK & TRUST COMPANY**
114 S. Front St.
Richton, MS 39476
601-788-6301 • 601-788-5822 F

**RIVERHILLS BANK**
702 Market St.
Port Gibson, MS 39150
601-437-4271 • 601-437-8601 F

**SINGING RIVER FEDERAL CREDIT UNION**
6006 Hwy. 63
Moss Point, MS 39563
228-457-9531 • 228-475-5919 F

**SOUTHERN AGCREDIT, FLCA**
22 Milbranch Rd., Ste. 200
Hattiesburg, MS 39402
601-579-7800 • 601-579-7550 F

**STATE BANK AND TRUST COMPANY**
916 Hwy. 82
Greenwood, MS 38935
662-453-6811 • 662-455-3467 F

**SUPERIOR FINANCIAL GROUP**
165 Lennon Ln., Ste. 101
Walnut Creek, CA 94598
925-482-2900 or 877-675-0500

**SYCAMORE BANK**
301 E. Main St.
Senatobia, MS 38668
662-562-8201 • 662-562-9451 F

**THE FIRST, A NBA**
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Laurel, MS 39440
601-425-4000 • 601-426-6022 F

**THE PEOPLES BANK**
152 Lameuse St.
Biloxi, MS 39530
228-435-5511 • 228-435-8417 F

**THE PEOPLES BANK**
305 E Jefferson St.
Ripley, MS 38663
662-837-8191 • 662-837-1109 F

**TRUSTMARK NATIONAL BANK**
201 Country Place Dr., Ste. A
Pearl, MS 39208
601-208-7391 • 601-208-7394 F

**UNITED MISSISSIPPI BANK**
75 Melrose-Montebello Pkwy.
Natchez, MS 39121
601-445-7000 • 601-445-7136 F

**WELLS FARGO BANK, NA**
101 N. Philips Ave.
Sioux Falls, SD
605-575-6900 or 800-545-0670

**WHITNEY BANK**
400 Labarre Rd.
Jefferson, LA 70121
504-729-1169 • 504-729-1233 F

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## *Award Winners*

### Introduction to Small Business Week

Each year since 1963, the President of the United States has designed a week as National Small Business Week in recognition of the small business community's contributions to the American economy and society.

The U.S. Small Business Administration, in partnership with public- and private-sector small business supporters, each year sponsors special activities honoring the nation's entrepreneurs at the local, state and national levels.

The presentation of the prestigious awards highlights Small Business Week activities. At the district, state and national levels, these awards spotlight the outstanding contributions of small business persons, champions, ex-porters and young entrepreneurs, as well as those who have developed their small businesses into large ones. At the regional and national levels, awards also highlight the contributions of outstanding small business prime contractors and subcontractors for the federal government.

Small Business Person of the Year winners from all 50 states, the District of Columbia, Puerto Rico, Guam and the U.S. Virgin Islands, as well as national winners in the advocate and special award categories and regional and national government contracting award winners, are invited to Washington, D.C., during Small Business Week for a series of special events in their honor. A national Small Business Person of the Year is selected from among the state award winners and recognized during the celebration in the nation's capital.

### Nominations, Awards and Selection

For more information on Small Business Week contact the Mississippi District Office, Gulfport Branch Office or visit the web site at www.sba.gov/ms.

# 2012 Small Business Week Award Winner

**Charles Fuqua**

**Recipient of Mississippi 2012 Small Business Person of the Year Award**

MOSS POINT, MS -- Charles Fuqua's lawn service expanded to include a garden center that he opened Chicot Road. It's about a block north of Lowe's garden center. But Fuqua, Mississippi's 2012 Small Business Person of the Year said he's not worried about the competition.

He thinks he will co-exist with the big store just fine. They may even create a hub for people with gardening needs, he said.

It's this business philosophy and a strong, multi-generational work ethic that has won Fuqua, 32, the state award and national recognition.

Fuqua started seven years ago cutting yards part-time. His full-time job at that time was working on automobile electronics and air conditioning for Ford. But soon he was making more money cutting yards than he was at his main job. So he made the leap of faith, after praying with his wife, and went full-time with Four Seasons Lawn Service, a business that has doubled in gross revenue each year since 2005. Methodically planning the way his business would grow, Fuqua added landscaping, installing brick pavers and irrigation to what he had to offer. And the customer base grew. He went to college and got an associate degree in horticulture, studying when he wasn't growing the business, coaching his children's soccer teams or keeping up with church obligations. "I got about four hours of sleep a night," he said.

Then he opened Four Season's Garden Center in a fenced parking lot off Chicot Road. The garden center is an aluminum carport structure on a neatly graveled lot with mulch stalls he built himself, rows and rows of plants, lawn ornaments and pots. He said he offers a different type of product than the big stores. Besides locally-grown plants, he offers attentive customer service and the ability to acquire just about any plant or tree a customer wants within two days.

"My goal here is to meet people's needs," he said. "A lot of people come here to look for things specifically." He uses a network of local nurseries to supply his customer needs, and one for his own use. "The longer we are here, the more we'll grow our own," he said. He credits the Jackson County Small Business Incubator with encouraging him and giving him some of the tools he needed to make a go of his small business, like marketing.

The incubator houses businesses in a large building on Main Street in Moss Point and he rents office space there. He's an entrepreneur from a long line of entrepreneurs, he said. He's seventh generation, tracing his family history of being self-employed all the way back to France.
His parents ran a number of businesses as he was growing up. "I understood the work ethic it takes," he said. "It's not a 40-hour-a-week job. If you expect that, you might as well not even start." Fuqua and his wife, Deanna, have three children, Julia, Trey and Riley Grace.

The Mississippi U. S. Small Business Administration selected Fuqua as its 2012 Small Business Person of the Year. He received this award during the Mississippi SBA's 2012 Small Business Award Reception in Biloxi, MS on June 28, 2012. He was judged on his company's staying power, growth in number of employees, increase in sales and/or unit volume, current and past financial reports, innovations of product or service, response to adversity and contributions to aid the community.

For information regarding SBA's programs and services or small business awards, call the Mississippi District at 601-965-4378, the Gulfport Branch Office at 228-863-4449 or visit the Mississippi SBA Web site at www.sba.gov/ms.

**Small Business Person**
**Charles Fuqua, Jr.**
**Four Seasons Lawn Care, LLC**
4836 Main Street
Moss Point, MS 39563
228-355-0373
charles@fourseasonslawncarellc.com

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# When we're all equals, things really start to add up.