

SMALL BUSINESS RESOURCE



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

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2010-2011 RHODE ISLAND

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“Everything you need to know about setting up, marketing and managing the revenue of your business.”

5 Ways To Evaluate Your Strengths and Weaknesses

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Printed in the United States of America

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SBA Publication # MCS-0018

This publication is provided under SBA Contract # SBAHQ05C0014.

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FROM THE ADMINISTRATOR



Our job at the SBA is to support small businesses. In this guide, you'll find out about everything you need to start and grow your business. If you're thinking about exporting, we can offer you a loan. If you're thinking about becoming a government contractor, we can help you get that first contract. If you're thinking about writing a business plan, we have counselors standing by.

From the stores on Main Street that we visit every day to the high-growth, high-impact firms that drive innovation and global competitiveness, small businesses everywhere are thriving and creating jobs by working with the SBA.

The Recovery Act continues to play an important role in helping small businesses drive our recovery. In its first year, Recovery Act programs helped the SBA provide more than 50,000 loans that put \$21.9 billion into the hands of entrepreneurs and small business owners. Our borrowers reported that these loans helped them save and create hundreds of thousands of jobs. And, across the country, we continue to get Recovery Act resources into the hands of small businesses so they can drive local economic growth and create jobs.

This year, we're building on this progress with a special effort to increase America's small business exports. We're looking to increase the number of small business exporters as well as expand their reach into more international markets. We're working with our partners across the federal government to identify and prepare small businesses who want to export, while promoting tools such as SBA's Export Working Capital Program loans, which you can read about in this guide.

If you have any questions, contact your local SBA field office or one of our resource partners. We're here to help, because we know that America's small businesses will lead us toward economic recovery, as they've done time and time again throughout our nation's history.

With warm regards,

Karen G. Mills
Administrator
Small Business Administration

About the SBA

www.sba.gov

Your Small Business Resource

Every day, 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 effectively compete in the marketplace and strengthen the overall U.S. economy.

SBA offers help in the following areas:

- Starting a Business
- Financing a Business

- Growing a Business
- Opportunities in Contracting
- Recovering From Disaster
- A Voice for Small Business in Government

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.

NEW ENGLAND REGIONAL ADMINISTRATOR

MESSAGE FROM THE NEW ENGLAND REGIONAL ADMINISTRATOR



I would like to welcome you to the Rhode Island Small Business Resource Guide and hope that you find this publication to be an effective learning tool in helping you start or expand your small business.

Successful small business owners recognize that knowledge and planning are key ingredients in starting or growing a business. Whether you're seeking financing or government contracting opportunities, education and technical assistance, or making sense of federal or state regulations, the SBA has resources available to help you. Our office in Providence, together with partners like SCORE, the Rhode Island Small Business Development Center, and The Center for Women & Enterprise offer free, confidential one-on-one counseling, classroom and Internet-based training, assistance in obtaining business loans, venture capital, surety bonds and government contracts. Today's SBA is customer friendly and has made the process of starting or expanding a small business easier than ever for small businesses and entrepreneurs.

2009 was an exciting year at the SBA. The American Recovery & Reinvestment Act included \$730 million for SBA to help small businesses get access to much needed capital. As a result of the Act, we were able to:

eliminate and reduce loan fees on 7(a) loan guaranties for borrowers and for lenders and for borrowers on our 504/Certified Development Company loans; raise our guaranty to 90 percent on 7(a) loans up from 75 or 85 percent depending on the size of loan; and introduce an entirely new loan produced - America's Recovery Capital (ARC) loan program - which provides no-interest, deferred payment loans of up to \$35,000 to viable businesses to help them make debt payments.

There's broad consensus within the Administration and Congress that small businesses are playing a leading role in the nation's economic recovery. The ARRA and additional tools that SBA has had to work with since February 2009 reflect that commitment and going forward there will undoubtedly be additional proposals geared towards aiding small business.

Keep a copy of the Rhode Island Small Business Resource Guide handy and share the information with other entrepreneurs. While this guide cannot guarantee success, it can provide meaningful direction and be of enormous help to anyone willing to make a commitment to entrepreneurship. Contact SBA today and find out how we can assist you.

Sincerely,

Jeanne A. Hulit
New England Regional Administrator

RHODE ISLAND

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Rules For Success

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

The U.S. Small Business Administration has helped thousands of Rhode Island small business owners and potential entrepreneurs. From start-up to expansion, we provide the tools for success.

The Rhode Island District Office is pleased to present this latest edition of the Small Business Resource Guide. Inside you will find information on SBA's programs to help small businesses start, grow, become and remain competitive.

As the nation's largest single financial backer of small business, the SBA guarantees loans made by private lenders and community development companies. We will continue to provide access to capital to make sure that Main Street stays vibrant for these businesses that are the fabric of our daily lives - the food stores, the restaurants, the dry cleaners, the auto repair shops and more. Through our resource partners we also provide entrepreneurs with the technical assistance they need to start, grow and succeed in their small businesses.

Included in this updated guide is a comprehensive listing of those resource partners, SCORE: *Counselors to America's Small Business*, the Rhode Island Small Business Development Center at Johnson & Wales University the Center for Women & Enterprise, numerous economic development agencies, chambers of commerce, and other local organizations committed to assisting Rhode Island small businesses.

I urge you to use the many no fee, high quality programs and services SBA offers to small business owners. All programs have proven value and I hope you will include SBA in your plan for success.

If you need further information please don't hesitate to contact the Rhode Island District Office at 401-528-4561, by e-mail at rhodeisland_do@sba.gov, or visit our website at www.sba.gov/ri.

I wish you every success.

Sincerely,

Mark S Hayward

*District Director of
SBA's Rhode Island District Office*

Doing Business in Rhode Island

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



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 Joan Moran at 401-528-4561 or e-mail: joan.moran@sba.gov.

A Veterans Business Development Officer is available to assist veterans. Please contact Norm Deragon at 401-528-4561 ext. 4576 or by e-mail at: normand.deragon@sba.gov.



THE RHODE ISLAND DISTRICT OFFICE

The Rhode Island District Office is responsible for the delivery of SBA's many programs and services. The District Director is Mark S. Hayward. The district office is located at 380 Westminster Street, Suite 511, Providence, RI. Office hours are from 8:00 AM until 4:30 PM, Monday through Friday. The office is closed on Federal holidays.

CONTACTING THE RHODE ISLAND DISTRICT OFFICE

For program and service information, please contact the Rhode Island District Office by phone at 401-528-4561 or by e-mail at: RhodeIsland_do@sba.gov

SERVICES AVAILABLE

Financial assistance for new or existing businesses through guaranteed loans made by area bank and non-bank lenders. For more information, please contact Mark S. Hayward at 401-528-4561 or by E-mail at: mark.hayward@sba.gov.

Free counseling, advice and information on starting, better operating or expanding a small business are available through SCORE, the Rhode Island Small Business Development Center (SBDC) and the Rhode Island Women's Business Center (WBC), the Center for Women & Enterprise. They also conduct training events throughout the district - some require a nominal registration fee.



SUCCESS STORY

2009 Rhode Island Small Business Person of the Year Jack Goodison

HUBZone Certification Helps J. Goodison Company Realize Tremendous Sales Growth

The J. Goodison Company was founded in 1999 by Jack Goodison and his son Jamie and one employee. It was a commercial flooring and painting company. Jack capitalized on his experience as a U.S. Navy diver, and in the marine and industrial coatings industry to transform the company to a government contractor. Today, the J. Goodison Company specializes in industrial and marine services including sand blasting, pressure washing, marine flooring, non-skid applications, and welding and fitting.

In addition to being a veteran-owned small business, the company has been HUBZone-certified by the U.S. Small Business Administration since 2005. The certification provides business opportunities through contract set asides by federal agencies and prime government contractors.

Company operations are housed at two locations. A third was recently acquired through the SBA 504 loan program. The principal operations facility is located in a HUBZone along the Providence waterfront. The building houses equipment, tools, and consumables. Crews arrive at the location and are then dispatched to various job sites. The administrative office in East Providence is where the company's accounting/bookkeeping, human resources, payroll, bid monitoring and managerial activities are located.

Goodison is planning for future growth through the purchase of a former jet engine testing facility on the now-defunct Quonset Point Naval Air Station property (now the Quonset Point Industrial Park). The company obtained a \$725,000 SBA 504 loan through Ocean State Business Development Authority and Coastway Community Bank to finance the deal. Goodison

expects to ultimately add another 20 employees to work at the new facility, which is scheduled to open sometime in 2010.

The building will house a state-of-the-art indoor sand blasting and painting facility and will have the ability to provide dry dock support for vessels up to 3,500 tons. Plans call for the development of a marine trades center where small businesses can operate collectively, serving larger shipyards throughout New England.

Goodison ultimately envisions the creation of a marine trades training program on the newly-acquired property where students can learn welding, painting and ship-fitting.

The company's move into government contracting began in 2001 with three small contracts totaling \$99,000. The next two years were stagnant. However, in 2004 the upswing in government contracts began. J. Goodison was awarded ten contracts totaling \$246,994.

2005 was a turnaround year for the J. Goodison Company. Several developments occurred which led to tremendous sales growth that year and the numbers have been rising ever since. While attending a small business conference in New Orleans that year, Jack and Jamie met an SBA representative who told them about the HUBZone program and encouraged them to apply for certification. They also met with contracting officers from the U.S. Coast Guard

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INTRODUCTION

GETTING STARTED

The SBA Can Help You Start And Expand Your Business



Every day, the U.S. Small Business Administration and its nationwide network of resource partners help millions of potential and current 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, the SBA and its resources can help you with loans and business management skills. If you're already in business, you can use the SBA's resources to help manage and expand your business, obtain government contracts, recover from disaster, find foreign markets, and make your voice heard in the federal government.

You can access SBA help online 24 hours a day at www.sba.gov or visit one of our local offices for assistance.

SBA's Online Training

SBA's Small Business Training Network is an Internet-based training site. It provides small businesses with free online courses, workshops, learning tools and business-readiness assessments.

Key Features of the SBTN:

- Training is available anytime and anywhere—all you need is a computer with Internet access.

- More than 23 free online courses and workshops available
- Online, interactive assessment tools are featured and used to direct clients to appropriate training.

Course topics include a financial primer keyed around SBA's loan-guaranty programs, a course on exporting, and courses for veterans and women's contracting as well as an online library of business publications and articles.

Find the SBTN at: www.sba.gov/training.

Where To Go To Get Started

Our resources include the SBA's district offices serving every state and territory, nearly 400 chapters of SCORE – "Counselors to America's Small Businesses", approximately 900 Small Business Development Centers, approximately 110 Women's Business Centers and eight Veterans Business Outreach Centers located across the

country. More information about SCORE, SBDCs, WBCs and VBOCs is detailed at: www.sba.gov/services.

These professionals can also 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.

SBA'S RESOURCE PARTNERS

SCORE

SCORE, "Counselors to America's Small Businesses" is composed of 10,500-active and retired volunteer business professionals. With more than 40 years experience helping small businesses succeed, SCORE matches volunteer business counselors with clients in need of expert advice. SCORE has advisers with expertise in nearly every area of business and maintains a national skills roster to help identify the best counselor for a particular client. Volunteer counselors, whose collective experience spans the full range of American enterprise, share their management and technical expertise with both current and prospective small business owners.

Volunteers work in or near their home communities providing management mentoring and training to first-time entrepreneurs and current small business owners. They meet with clients at a SCORE community location, such as at a Chamber of Commerce, bank, an SBA office or at the client's place of business.

Every effort is made to match a client's needs with an adviser experienced in a comparable line of business. All individual

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.
- A new venture is exciting.
- Earnings and growth potential are unlimited.
- Running a business will provide endless variety, challenge and opportunities to learn.

EVALUATE

Start by evaluating your strengths and weaknesses

1. Are you a self-starter?

It will be up to you – not someone else telling you – to develop projects, organize your time and follow through on details.

2. 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, lawyers, accountants and consultants. Can you deal with a demanding client, an unreliable vendor or a cranky staff person?

3. How good are you at making decisions?

Small business owners are required to make decisions constantly, often quickly, under pressure.

4. Do you have the physical and emotional stamina to run a business?

Business ownership can be challenging, fun and exciting. But it's also a lot of hard work. Can you face 12-hour workdays six or seven days a week?

5. How well do you plan and organize?

Research indicates many business failures could have been avoided through better planning. Good organization – of financials, inventory, schedules, production – can help avoid pitfalls.

and team counseling is free; there may be a nominal fee for workshops and seminars.

Through in-depth mentoring and training, SCORE volunteers help prospective and established small business owners and managers identify problems, determine the causes and find solutions.

Any small business can obtain help from SCORE. Whether you are considering starting your own business, have a business that is experiencing problems, are ready to expand, or need some other type of advice, SCORE can help. The approach is confidential and personal. You don't need to be applying for or have an SBA loan to participate in the program. In fact, an idea is all that is necessary; consultation and mentoring before a business opens its doors is an important part of SCORE's service.

SCORE can also be found on the Internet at: www.score.org.

Business owners use the Web to fulfill their needs for information and advice. SCORE is primed to meet requests for help by offering e-mail counseling, maps to local SCORE chapters, hotlinks to other business resources on the Internet and more. E-mail counseling is provided by the Cyber-chapter, which now includes more than 1,200 online members. You can choose from almost 800 unique skills to find the cyber counselor who best suits your specific needs, including counseling for veterans, service-disabled veterans and Reserve component members. SCORE also offers more than 30 online training workshops on topics for small businesses.

Joseph G.E. Knight SCORE Chapter 13

David Herbst, Chapter Chair
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riscor@verizon.net
www.riscor.org

SMALL BUSINESS DEVELOPMENT CENTERS

Small Business Development Centers meet the needs of small businesses and promote economic development in local communities by helping to create and retain jobs. Partially funded by a cooperative agreement with SBA, SBDCs are focused on providing long-term counseling to clients to help them grow successful businesses. The SBDC network provides counseling and training to more than 550,000 existing or start-up businesses annually.

SBDCs assist with development of business plans, provide manufacturing, financial packaging, surety bonds, contracting and international trade assistance. Special emphasis areas include e-commerce, technology transfer, IRS, EPA

and OSHA regulatory compliance, research and development, Defense Economic Transition Assistance, export assistance, disaster recovery assistance and market research. SBDCs also provide special assistance to veterans and help with energy efficiency under new program initiatives. Based on client needs, SBDCs tailor their services to meet the evolving needs of the local small business community.

SBDCs deliver management and technical assistance to prospective and existing small businesses using an effective business education network of 948 service-center locations contracted to manage a broad-based SBDC program. SBDCs are located throughout the U.S., District of Columbia, Guam, American Samoa, Puerto Rico and the U.S. Virgin Islands.

For more information, visit the Web site at: www.sba.gov/aboutsba/sbaprograms/sbdc/index.html.

Rhode Island Small Business Development Center (RISBDC)

The Rhode Island Small Business Development Center, hosted by Johnson & Wales University in Providence, is a part of a national partnership between the state and federal governments, the private sector, colleges and universities. The program is designed to provide the highest quality of business assistance services to established enterprises and promising new start ups.

The RISBDC provides a variety of counseling, workshops and information services for growing companies and start ups. Look at the RISBDC as a one-stop resource center for assistance in business plan development, market analysis, sources of capital, technology transfer, inventory assistance and other managerial and technical support services.

There are RISBDC offices located throughout Rhode Island.

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WOMEN'S BUSINESS CENTERS

The SBA's Women Business Center Program is a network of 110 community-based centers which provide business training, counseling, mentoring and other

assistance geared toward women, particularly those who are socially and economically disadvantaged. Partially funded through a cooperative agreement with the SBA, WBCs are located in nearly every state and U.S. territory.

To meet the needs of women entrepreneurs, the WBCs offer services at convenient times and locations, including weekends. Some offer child care during training and many provide assistance and materials in different languages, depending on the needs of the individual communities they serve. WBC services create local economic growth and vitality; in fiscal 2009, the WBC Program counseled and trained more than 155,000 clients.

WBC training courses are often free or are offered at a small fee with scholarships often available to those who need them. A number of WBCs also provide courses and counseling via the Internet, mobile classrooms and satellite locations.

To find the nearest SBA WBC or to learn more about SBA programs and services, visit the SBA's Web site http://www.sba.gov/idc/groups/public/documents/sba_program_office/sba_ro_do_wbc.pdf

Women's Business Center: Center for Women & Enterprise – Rhode Island

The WBC provides counseling and training in a full range of business issues to new and existing women business owners.

The Center offers training, mentoring, and one-on-one counseling to help women build their business skills and create a lifetime network of key resources and contacts. Key business training courses at CWE Rhode Island include: Power Up! Business planning classes, Community Entrepreneurs Program (CEP): Visioning classes, QuickBooks, E-Commerce, Sales, Pricing, and Financial Management and Accounting workshops.

Center for Women & Enterprise Rhode Island

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info@cweonline.org

SBA Services to help Women Succeed in Business

The Women's Network for Entrepreneurial Training Program—WNET, a program of the SBA's Office of Women's Business Ownership, provides networking opportunities through the WNET Roundtables. 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 knowledge that can make the difference between success and failure.

To register for the next Rhode Island WNET Roundtable contact CWE at 401-277-0800.

ARE YOU RIGHT FOR SMALL BUSINESS OWNERSHIP?

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?

In business, there are no guarantees. 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, 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 in the short-term.

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

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: 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 the risk involved in a new, 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.

For more information visit the SBA Web site at: <http://www.sba.gov/smallbusiness>

WEBSITE Business plan help

Find your nearest SCORE chapter at: www.score.org.

For business plan help at the SCORE Web site, click on "Business Tools" from the left-hand menu, then click on "Template Gallery."

You can find the nearest VBOC at: www.sba.gov/vets.

To find WBCs, click on: www.sba.gov/services/ and choose "Women's Business Centers" from the "Counseling and Assistance" heading at the bottom.

You can also find business-plan help on the SBA's Web site at:

<http://www.sba.gov/smallbusinessplanner/> then choose "Writing a Business Plan" from the "Plan Your Business" menu along the bottom.

planner/start/ and click on "Buy a Franchise" from the menu on the right side or call your local SBA office.

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.

Garages, basements and attics are being transformed into the corporate headquarters of the newest entrepreneurs — home-based business owners.

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. It's important to work in a professional environment. One suggestion is to set up a separate office in your home to create this professional environment.

Ask yourself these questions — and remember, there are no best or right reasons for starting a home-based business. But it is



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important to understand what the venture involves:

- Can I switch from home responsibilities to business work?
- Do I have the self-discipline to maintain schedules?
- Can I deal with the isolation of working from home?
- Am I a self-starter?

Finding Your Niche

Choosing a home business must be approached carefully.

Ask yourself:

- Does my home have the space for a business?
- Can I identify and describe the business I want to establish?
- Can I identify my business product or service?
- Is there a demand for that product or service?
- Can I successfully run the business 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 state, labor and health to find out which laws and regulations will affect your business. Additionally, check on registration and accounting requirements needed to open your home-based business. You may need a work certificate or license from the state. Your business name may need to be registered with the state. A separate business telephone and bank account are good business practices.

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

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

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, 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, Veterans Business Outreach Centers, SCORE and Women's Business Centers, have the expertise to help you craft a winning business plan.

In general, a good business plan contains:

Introduction

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

Marketing

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

Financial Management

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

Operations

- Explain how the business will be managed day-to-day.
- Discuss hiring and personnel procedures.
- Discuss insurance, lease or rent agreements, and issues pertinent to your business.

- Account for the equipment necessary to produce your goods or services.
- Account for production and delivery of products and services.

Concluding Statement

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

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

REACHING UNDERSERVED AUDIENCES

Women Business Owners

Women entrepreneurs are changing the face of America's economy. In the 1970s, women owned less than five percent of the nation's businesses. Today, they are majority owners of about a third of the nation's small businesses and are at least equal owners of about half of all small businesses. SBA serves women entrepreneurs nationwide through its various programs and services, some of which are designed especially for women.

The SBA's Office of Women's Business Ownership serves as an advocate for women-owned business and oversees a nationwide network of more than a hundred 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 and each tailors its services to meet the needs of its community. Women's Business Centers serve a wide diversity 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, marketing, and the Internet, as well as access to all of the SBA's financial and procurement assistance programs.

SBA also reaches out to women entrepreneurs through women's business ownership representatives in every SBA district office who coordinate services, provide access to business training and counseling, to credit and capital, and marketing opportunities, including federal contracts.

VETERANS AND RESERVISTS BUSINESS DEVELOPMENT

The SBA offers a variety of services to American veterans who have made or are seeking to make the transition from service member to small business owner. Each of SBA's 68 district offices has designated a veterans business development officer to help veterans prepare, plan and succeed in entrepreneurship.

Veterans Business Outreach Centers

Eight Veterans Business Outreach Centers located in Massachusetts, New York, Pennsylvania, Florida, Michigan, Texas, Missouri and California provide online and face to face entrepreneurial development services for veterans and reservists such as business training, counseling and mentoring, pre-business plan workshops, feasibility analysis, and referrals to additional small business resources.

During fiscal 2009, VBOC's counseled or trained 122,901 veteran entrepreneurs. To learn more about the Veterans Business Outreach program or find the nearest SBA VBOC, visit the SBA Web site at www.sba.gov/vets.

SBDCs and SCORE also provide targeted management assistance to veterans who are current or prospective small business owners. SCORE also provides resources and counseling services online at: www.score.org.

The SBA 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.

Additionally, 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 provides loans 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. Small businesses may apply for MREIDLs of up to \$2 million if they have been financially impacted by the loss of an essential employee. The SBA has created a special Web page specifically for Reserve and Guard members at: <http://www.sba.gov/aboutsba/sbaprograms/reservists/index.html>.

To ensure that veterans, service-disabled veterans and Reserve and National Guard member entrepreneurs receive special consideration in all its entrepreneurial programs and resources, the SBA has established an Office of Veterans Business Development. OVBD develops and distributes informational materials for entrepreneurship such as the Veterans Business Resource Guide, VETGazette, Getting Veterans Back to Work. Veterans may access these resources and other assistance from OVBD by visiting the Web site at: www.sba.gov/VETS/.

For more information or special assistance with government contracting,

including programs for veterans and service-disabled veterans, please check the Contracting Opportunities section of this publication, and the Web site above.

SBA's Patriot Express Initiative has new and enhanced programs and services for veterans and members of the military community wanting to establish or expand small businesses. See the Financing section for more information on Patriot Express.

NATIVE AMERICAN BUSINESS DEVELOPMENT

The SBA is also working to ensure that entrepreneurship opportunities are available for American Indians, Native Alaskans and Native Hawaiians seeking to create, develop and expand small businesses. These groups have full access to the necessary business development and expansion tools available through the agency's entrepreneurial development, lending and procurement programs. More information is at: <http://www.sba.gov/aboutsba/sbaprograms/naa/index.html>.

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Providence, RI 02906
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REGULATIONS

KNOWING THE RULES

Paying Attention to Detail Can Save Time and Money



Even if your consulting service or hand-knit sweater business is based from your home, it will have to comply with many of the numerous 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.GOV

Business.gov provides a one-stop shop for federal resources from the agencies that regulate or serve businesses.

While most businesses in the United States are required to obtain a permit, professional license, or identification number to operate, finding the right license can be a major challenge for potential business owners. Business.gov's "Permit Me" feature provides a single source for obtaining information about federal and state permits and professional licenses for businesses.

"Feature Topics" focuses on common business concerns. It provides context to the compliance information provided on the site and helps business owners understand in plain language the regulatory requirements their businesses face. Additional topics are added on a regular basis in response to the most frequent searches on the site.

BUSINESS ORGANIZATION

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.

Rhode Island Secretary of State

Business Section
148 W. River St.
Providence, RI 02904-2615
401-222-3040
www.sec.state.ri.us/corps

CHOOSING YOUR BUSINESS STRUCTURE

You may operate your business under one of many organizational structures. The most common organizational structures are sole proprietorships, general and limited partnerships, "C" and "S" corporations 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 on their investment, and liability is similarly limited in proportion to their investment.

"C" Corporation

A "C" corporation is a legal entity created under state law by the filing of articles of incorporation. A corporation is a separate entity having its own rights, privileges and liabilities, apart from those of the individual(s) forming the corporation. It's the most complex form of business organization and is comprised of

shareholders, directors and officers. Since the corporation is a separate legal entity in its own right it can own assets, borrow money and perform business functions without directly involving the owners. Corporations are subject to more government regulation and offer the owners the advantage of limited liability, but not total protection from lawsuits.

Subchapter "S" Corporation

Subchapter "S" references a special part of the Internal Revenue Code that permits a corporation to be taxed as a partnership or sole proprietorship, with profits taxed at the individual, rather than the corporate rate. A business must meet certain requirements for Subchapter "S" status. Contact the IRS for more information.

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.

LOGISTICS OF STARTING YOUR BUSINESS

BUSINESS LICENSES

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

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

FICTITIOUS BUSINESS NAME

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

BUSINESS INSURANCE

Like home insurance, business insurance protects the contents of your business against fire, theft and other losses. Contact

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

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 business 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 you need to insure for 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 in 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.

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Spend time on your business, not banking. At Citizens Bank, our dedicated Business Specialists will work one-on-one with you to find solutions to help fit your unique business needs. We balance old-fashioned values with innovative tools and services that can help your business grow.

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COME IN: Any Citizens Bank

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

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

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

EMPLOYER IDENTIFICATION NUMBER

An EIN, also known as a federal tax identification number, is used to identify a business entity. Generally all businesses need an EIN. You may apply for an EIN in a variety of ways, including online, phone, fax. Taxpayers can obtain an EIN immediately by calling 800-829-4933, Monday through Friday, from 7:30 a.m. to 5:30 p.m. customer's local time.

Taxpayers can fax EIN requests seven days a week/24 hours a day by dialing the fax number to one of three IRS campuses that accept applications. The instructions on the newly revised Form SS-4, Application for Employer ID Number, indicate which IRS Campus is assigned to their specific state. Detailed information and an electronic SS-4 can be found at the IRS Small Business/Self Employed Community Web site at: <http://www.irs.gov/businesses/small/index.html>, click on New Businesses. Faxed applications are processed in four days. These IRS Campuses accept faxed applications at the following numbers:

Holtsville, NY	631-447-8960
Cincinnati, OH	859-669-5760
Philadelphia, PA	215-516-3990

EINs are also issued automatically online. Visit the IRS Web site, <http://www.irs.gov/businesses/small/article/0,,id=102767,00.html> for more information.

FEDERAL SELF-EMPLOYMENT TAX

Every employee must pay Social Security and Medicare coverage. 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.

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's government.

FEDERAL INCOME TAX

Like the state income tax, the method of paying federal income taxes depends upon your legal form of business. The following procedures must be considered:

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

IRS WEB PRODUCTS FOR SMALL BUSINESSES

To provide the most timely and up-to-date tax information, the Small Business Resource Guide (SBRG), formerly a CD-

ROM, is available exclusively online at <http://www.irs.gov/businesses/small/index.html>.

Designed to equip small business owners with the skills and knowledge needed to successfully start and manage a business, The SBRG covers a wide range of tax topics Web links to business forms, publications, other useful governmental Web sites, and much more.

New IRS Applications Make Tax Information More Accessible to Small Businesses and the Self-employed

Maximizing the Web's convenience, accuracy and speed, **IRS.gov**, IRS's web site, now assists millions of individual taxpayers, tax professionals, and small business owners to better understand and meet their tax responsibilities.

Updated Virtual Small Business Tax Workshop

The IRS's **Virtual Small Business Tax Workshop** (<http://www.tax.gov/virtualworkshop>) is an interactive resource to help small business owners learn about their federal tax rights and responsibilities. This dynamic educational product, available online and on CD 24/7 from your computer, 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.

The **Virtual Small Business Tax Workshop** is the first of a series of video products designed exclusively for small business taxpayers. A new companion series called, "Your Guide to an IRS Audit" is in development with plans for a summer 2010 launch.

IRS.gov Now Features Audio and Video

IRS is augmenting its **curriculum of online learning and educational products** for the small business community by developing **new live broadcasting, phone forums and webinars**, and offering **audio and video presentations**.

Testing Social Media

The IRS is testing social media. We have launched a YouTube video site at **YouTube - irsvideos's Channel** and an iTunes podcast to help taxpayers take full advantage of the 2009 tax provisions in the American Recovery and Reinvestment Act.

The IRS YouTube channel debuted with seven Recovery videos in English and American Sign Language and eight in Spanish plus other languages.

People without an iTunes account can hear those same podcasts, in English and Spanish, on IRS.gov's **Multimedia Center**. People can also visit the audio site at **iTunes** to listen to IRS podcasts about ARRA tax credits.

To get the most timely IRS news and information about products and services for small businesses and the self-employed, subscribe to e-News on **IRS.gov** at <http://www.irs.gov/businesses/small/article/0,id=154825,00.html>, click "Subscribe Now" at the bottom of the page and enter your e-mail address.

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 of, 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

<http://www.ssa.gov>

Social Security's Business Services Online

The Social Security Administration now provides free electronic services online at: www.socialsecurity.gov/employer/. 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

<http://www.irs.gov>

Employee Insurance

If you hire employees you may be required to provide unemployment or workers' compensation insurance. For more information, contact the following:

Workers Compensation Board

Sandra M. Powell, Director

Rhode Island Dept. of Labor and Training

Division of Workers' Compensation

1511 Pontiac Ave.

Bldg. 71-1, First Fl.

Cranston, RI 02920-0942

401-462-8100 • 401-462-8105 Fax

WCEdcUnit@dlt.ri.gov

WORKPLACE PROGRAM

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

U.S. CITIZENSHIP AND IMMIGRATION SERVICES

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

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

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 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 am - 5 pm. E-mail: e-verify@dhs.gov

We're the SEED for Many Small Businesses...

South Eastern Economic Development (SEED) Corporation focuses on job creation by assisting small business in Massachusetts and Rhode Island through:

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- Small Loans up to \$200,000
- SBA Guaranteed Loans up to \$2 Million (Packaging)
- SBA 504 Loans up to \$4 Million for fixed asset projects larger than \$200,000
- Technical Assistance

For more information and an application call:

(508) 822-1020

or visit our website

www.seedcorp.com



Certified by the U.S. Small Business Administration

SAFETY & 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.

Use of hazardous substances in businesses is highly regulated and there are heavy fines for non-compliance. For more information, contact:

U.S. Department of Labor

Occupational Safety & Health Administration
Rhode Island Area Office
380 Westminster St., Rm. 543
Providence, RI 02903
401-528-4669

Rhode Island Department of Environmental Management (RIDEM)

235 Promenade St.
Providence, RI 02908-5767
401-222-6800
www.dem.ri.gov

Workers' Compensation Insurance

Any employer with one or more part time or full time employees is required to carry a workers' compensation insurance policy. This count of one or more employees includes corporate officers, sole proprietors and partners.

Rhode Island Department of Labor and Training

Workers' Compensation Division
1511 Pontiac Ave.
Cranston, RI 02920
401-462-8100
www.dlt.state.ri.us/wc

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.

Barrington	401-247-1900
Bristol	401-253-7000
Burrillville	401-568-4300
Central Falls	401-727-7400
Charlestown	401-364-1210
Cranston	401-461-1000
Cumberland	401-728-2400
East Greenwich	401-886-8606
East Providence	401-435-7500
Exeter	401-295-7500
Foster	401-392-9200
Glocester	401-568-6206
Hopkinton	401-377-7777
Jamestown	401-423-7200
Johnston	401-351-6618
Lincoln	401-333-1100

Little Compton	401-635-4400
Middletown	401-849-2898
Narragansett	401-789-1044
New Shoreham	401-466-3200
Newport	401-846-9600
North Kingstown	401-294-3331
North Smithfield	401-767-2202
Pawtucket	401-728-0500
Portsmouth	401-683-3255
Providence	401-421-7740
Providence	401-539-2497
Scituate	401-647-2822
Smithfield	401-233-1000
South Kingstown	401-789-9331
Tiverton	401-625-6700
Warren	401-245-7554
Warwick	401-738-2000
West Greenwich	401-392-3800
West Warwick	401-822-9200
Westerly	401-348-2500
Woonsocket	401-762-6400

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:

Patent and Trademark Office:

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

Copyrights

Copyrights protect original works of authorship including literary, dramatic, musical and artistic, and certain other intellectual works. Copyright does 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

Inventor Assistance

Do you have an idea about a new product, process or service? The Providence Public Library is a Patent Depository Library, serving as a satellite search facility of the U.S. Patent and Trademark Office. The patent collection at Providence includes a complete file of all U.S. Utility Patents from 1790, all U.S. Plant Patents from 1931, and all U.S. Design Patents from 1843. The Official Gazette, the publication of the U.S. Patent Office is available from 1872. Librarians are available to teach the mechanics of patent and trademark searching, and to assist with questions. The library does provide patent copies for a fee, and also provides the forms necessary for patent and trademark applications, and copyright registration.

Providence Public Library

150 Empire St.
Providence, RI 02903
401-455-8005 • 401-455-8013 Fax
www.provlib.org

Innovation Monday for Entrepreneurs, Innovators, Small Business Owners

Innovation Monday provides a clearinghouse and resource network to facilitate the development of new product innovations. This program is for serious innovators only; it is for those of you who intend to commercialize your product ideas and who would appreciate a structured process to advance your concepts.

RI Small Business Development Center at Johnson & Wales University

270 Weybosset St., 4th Fl.
Providence, RI 02903
401-598-2702 • 401-598-2722 Fax
www.risbdc.org

FINANCING & SURETY BONDS

GETTING APPROVED

Financing Options to Start or Grow Your Business



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

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.

When you seek a business loan, familiarize yourself with the SBA's business loan programs to see if they may be a viable option. The three principal players in most of these programs are — the applicant small business, the lender and the SBA. SBA guarantees a portion of the loan (except for Microloans). The business should have its business plan prepared before it applies for a loan. This plan should explain what resources will be

needed to accomplish the desired business purpose including the cost of everything, the applicants' contribution, use of loan proceeds, collateral, and most important, an explanation of how the business will be able to repay the loan in a timely manner.

The lender will analyze the application to see if it meets the lender's criteria as well as SBA's requirements. SBA will look to the lender to do much, if not all, of the analysis before it provides its guaranty on the lender's loan or provides the microlenders with funds to re-lend to the business. The SBA's business loan programs provide a key source of financing for viable small businesses that have real potential, but cannot qualify for loans from the lending institutions on their own.

7(a) LOAN PROGRAM

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

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

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

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

PERCENTAGE OF GUARANTIES AND LOAN MAXIMUMS

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

(NOTE: These percentages may be temporarily increased up to 90 percent as part of government efforts to promote economic recovery. Check with your local SBA district office for more information.)

The maximum loan amount is \$2 million and the maximum guaranty amount to any one business (including affiliates) is \$1.5 million. The one exception is when a business needs both working capital and fixed assets to promote exporting in which case the SBA can provide a maximum guaranty of \$1.75 million.

Loans made under the SBAExpress program, which is discussed subsequently, have a 50 percent guaranty.

INTEREST RATES AND FEES

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

Loans guaranteed by SBA are assessed a guaranty fee. This fee is based on the loan's maturity and the dollar amount guaranteed, not the total loan amount. The guaranty fee is generally paid by the borrower and can be included in the loan proceeds.

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

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

(Note: These fees may continue to be temporarily lowered for some loans as part of the government efforts to promote economic recovery. Check with your local SBA district office for the latest information.)

7(a) LOAN MATURITIES

SBA 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 loans are repaid with monthly payments of principal and interest. For fixed-rate loans the payments stay the same whereas for variable rate loans the lender can re-establish the payment amount when the interest rates change or at other intervals as negotiated with the borrower. Applicants can request that the lender establish the loan with interest-only payments during the start-up and expansion phases (when eligible) to allow the business time to generate income before it starts making full loan payments. There are no balloon payments or call provisions 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 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 SBA. The basic size standards are outlined below. A more in-depth listing of standards can be found at: <http://www.sba.gov/services/contractingopportunities/index.html> select "For Government/Contracting Officials" which then leads to a page where you can select "Size Standards."

SBA Size Standards:

- Manufacturing from 500 to no more than 1,500 employees
- Wholesaling — No more than 100 employees

- Services from \$4.5 million to no more than \$33.5 million in average annual receipts
- Retailing from \$7 million to no more than \$29.5 million in average annual receipts
- General construction from \$7 million to no more than \$33.5 million in average annual receipts
- Agriculture from \$750,000 to no more than \$17.5 million in average annual receipts

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 sexual nature, businesses involved in gambling and any illegal activity.

The SBA will also not support 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 usage of proceeds. 7(a) proceeds can be used to: purchase machinery, equipment, fixtures, supplies, leasehold improvements, as well as land and/or buildings that will be occupied by the business borrower.

Proceeds can also be used to:

- Expand or renovate facilities;
- Finance receivables and augment working capital;
- Finance seasonal lines of credit;
- Construct commercial buildings; and
- Refinance existing debt under certain conditions.

7(a) loan proceeds cannot be used (except for compensation for services rendered) for floor plan financing or to have funds for the purpose of making investments. They also cannot be used to provide perks to an owner of the business.

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 SBA. It also includes SBA's anti-discrimination rules and restrictions 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:

- 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 SBA's eligibility requirements check: <http://www.sba.gov/services/>.

WHAT TO TAKE TO THE LENDER

Documentation requirements may vary; contact your lender for the information you must supply. *Assistance preparing your documentation package is available through SBA and its resource partners, including SCORE, Small Business*

Development Centers, Women's Business Centers and Veterans Business Outreach Centers.

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 the assumptions.
- Personal financial statements on the principal owners.
- Resume(s) of the principal owners and managers.

HOW THE 7(a) PROGRAM WORKS

Applicants submit their loan application to a lender for the initial review. The lender will generally review the credit merits of

the request before deciding if they will make the loan themselves or if they will need an SBA guaranty. If a guaranty is needed, the lender will also review eligibility, and the applicant should be prepared to complete some additional documents before the lender reviews the request to ensure it meets SBA's requirements before sending the request for guaranty to the SBA. Applicants who feel they need more help with the process should contact their local SBA district office or one of SBA's resource partners for assistance.

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

- Standard 7(a) Guaranty
- Certified Lender Program
- Preferred Lender Program
- Rural Lender Advantage
- SBA Express

Ask Adam

When it comes to finding the right solutions to your small business questions, you need big answers.

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 phone: (401) 397-1900 ext. 2362 e-mail: aquinlan@coventrycu.org



www.coventrycu.org
401-397-1900



- Patriot Express
- Export Express
- Community Express

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

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

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

What the SBA Looks for:

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

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 selected, experienced lenders to use mostly their own forms, analysis and procedures to process, service and liquidate 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. For a list of lenders in your area, contact your local SBA office at: www.sba.gov/localresources/index.html

PATRIOT EXPRESS

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

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

The Patriot Express loan is offered by SBA's widest network of lenders nationwide and features our 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 take all available collateral.

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

Patriot Express loans feature 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:

<http://www.sba.gov/patriotexpress>.

COMMUNITY EXPRESS PILOT LOAN PROGRAM

The Community Express Pilot Loan Program provides streamlined business financing and management and technical assistance to small businesses located in

distressed or underserved markets. The Community Express program is offered through hundreds of selected SBA lenders throughout the nation. Under Community Express, approved lenders may use streamlined and expedited loan review and approval procedures to process SBA-guaranteed loans. These lenders may use, to the maximum extent possible, their own loan analysis, loan procedures, and loan documentation to process SBA loans to \$250,000. However, borrowers must receive technical assistance to qualify for this program.

SPECIAL PURPOSE 7(a) LOAN PROGRAMS

The 7(a) program is the most flexible of SBA's lending programs. The agency has created several variations to the basic 7(a) program to address the particular financing need of certain small businesses. These special purpose programs are not necessarily for all businesses but may be very useful to some small businesses. They are generally governed by the same rules, regulations, fees, interest rates, etc. as the regular 7(a) loan guaranty. Lenders can advise you of any variations.

CAPLines

The CAPLines program is designed to help small businesses meet their short-term and cyclical working capital needs. There are five loan programs under the CAPLines umbrella. The programs can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts; finance the direct cost associated with commercial and residential construction; finance operating capital by obtaining advances against existing inventory and accounts receivable; and consolidate short-term debt. SBA provides up to an 85 percent guarantee. There are five distinct programs under the CAPLine umbrella:

- **The Contract Loan Program** is used to finance material and labor needs for a specific contract or contracts. Proceeds can be disbursed before the work begins. If used for one contract, it is generally not revolving; if used for more than one contract at a time, it can be revolving. The loan maturity is usually based on the length of the contract, but no more than five years. Contract payment must be sent directly to the lender.
- **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 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 Small Asset-Based Line** is a revolving line of credit (up to \$200,000) that provides short term working capital. These lines are generally used by businesses that provide credit to their customers. Disbursements are 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. It does require periodic servicing and monitoring of the collateral for which the lender can charge up to two percent annually to the borrower.
- **The Standard Asset-Based Line** is similar to the Small Asset-Based Line, but for loan amounts over \$200,000. It does require stricter servicing and monitoring and the lender may pass these costs along to the borrower.

EXPORT ASSISTANCE Trade Financing

The SBA has help for existing small businesses wanting to export goods and services.

U.S. EXPORT ASSISTANCE CENTER (USEAC)

U.S. Export Assistance Centers, are available through a partnership among SBA, U.S. Department of Commerce and the Export-Import Bank of the U.S. to provide trade promotion and export-finance assistance for small businesses in a single location. The USEACs also work closely with other federal, state and local international trade organizations. To find the nearest USEAC, go to:

<http://www.sba.gov/aboutsba/sbaprograms/internationaltrade/useac/index.html>.

John Joyce, Regional Manager

International Trade Programs
U.S. Export Assistance Center
for New England
JFK Federal Bldg., Ste. 1826A
55 New Sudbury St.
Boston, MA 02203
617-565-4305
john.joyce@mail.doc.gov

EXPORT WORKING CAPITAL PROGRAM

The SBA's Export Working Capital Program assists lenders in meeting the needs of exporters seeking short-term export working capital. This program enables U.S. exporters to obtain loans to fund their direct export costs. The EWCP supports single transactions or revolving lines. The maximum dollar amount of an export line of credit under this program is \$2 million. SBA guarantees up to 90% of a loan amount or \$1.5 million, whichever is less. Loan maturities are generally for a term of 12 months. The guaranty can be reissued for an additional 12 months

through a new application process. The guaranty fee the SBA charges is 0.25 percent of the guaranteed amount of the loan for the initial 12 months. The borrower negotiates the interest rate and all other fees with the lender. The program offers flexible terms, low fees and a quick processing time. For information, see www.sba.gov/services/financialassistance/sbaloantopics/SpecialPurposeLoans/ewcp/index.html.

Eligibility of Exporter

You must have an operating history of at least one year – not necessarily in exporting. The SBA may waive this requirement if you have sufficient export trade experience or other managerial experience.

Eligible Buyers

The foreign buyer must be a creditworthy entity located in an acceptable foreign country, to both the lender and SBA.

Use of EWCP Proceeds:

- To acquire inventory for export or to be used to manufacture goods for export.
- To pay the manufacturing costs of goods for export.

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- To purchase goods or services for export.
- To support standby letters of credit related to export transactions.
- For pre-shipment working capital directly related to export orders.
- For post-shipment foreign accounts receivable financing.

Ineligible Use of Proceeds

- To support the applicant's domestic sales.
- To acquire fixed assets or capital goods for the applicant's business.
- To support a sale where the exporter is not taking title to the goods.
- To acquire, equip, or rent commercial space overseas.
- To serve as a warranty letter of credit.

Collateral Requirements

- Collateral for the manufacturing sector typically consists of a first lien on all export-related inventory and export related accounts receivable.
- Collateral for the service sector typically consists of assignment of proceeds of export-related contracts or purchase orders and a first lien on export-related accounts receivable.
- Other collateral may be required.

How to Apply

A small business exporter seeking a guaranteed EWCP loan must apply to a lender.

SBA Ex-Im Bank Co-Guarantee

This is designed to provide small business exporters the ability to obtain larger export working capital loans through the Export Working Capital Program than SBA could support alone. This program enables U.S. exporters to obtain loans that facilitate the export of goods or services. Under this program, the total export working capital line, with a 90 percent guarantee, cannot exceed \$2 million. Loan maturities are generally for a term of 12 months. At the end of the 12-month maturity, a borrower may reapply for a new guarantee. The SBA guarantee fee is 0.25 percent of the guaranteed amount of the loan for the initial 12 months. The guarantee fee that Ex-Im Bank charges is 0.25 percent on the loan amount that is guaranteed by them. The borrower negotiates the interest rate and all other fees with the lender.

Eligibility of Exporter

The same as for the SBA EWCP Program.

Eligible Buyers

The foreign buyer must be a creditworthy entity located in an acceptable

country in conformity with the Ex-Im Bank's Country Limitation Schedule.

Use of Proceeds

Same as the SBA EWCP.

Ineligible Use of Proceeds

- Goods or services with less than 50 percent U.S. content.
- To support the export of any Defense Articles or Defense Services.
- To support the applicant's domestic sales.
- To acquire fixed assets or capital goods for the applicant's business.
- To acquire, equip, or rent commercial space overseas.
- To serve as a Warranty Letter of Credit.

Collateral Requirements

Same as the SBA EWCP.

How to Apply

A small business exporter seeking a co-guaranteed loan must apply to a lender that is a participant in SBA's 7(a) Loan Guaranty Program. PLP and SBAExpress processing are not permitted. The lender must submit a completed Joint Application for Working Capital Guarantee and loan package to SBA. SBA evaluates and processes the application in accordance with SBA rules for its Export Working Capital Program.

INTERNATIONAL TRADE LOAN PROGRAM

The program helps small businesses engaged or preparing to engage in international trade as well as small businesses adversely affected by competition from imports. This program allows for an increased maximum dollar amount of SBA guaranty outstanding to any one business (and affiliates) from \$1.5 million to \$1.75 million. In order to reach the \$1.75 million SBA guaranty ceiling, the borrower must have an international trade loan as well as an SBA working capital loan or line of credit. The international trade loan provides an SBA guarantee up to \$1.5 million of a term loan used for the acquisition, construction, renovation, modernization, improvement or expansion of long-term fixed assets or the refinancing of an existing loan used for these same purposes. In addition a borrower may have a separate working capital loan (term or line of credit) with a maximum SBA guaranty of \$1.25 million. When combined, the maximum SBA guaranty outstanding to any one business is \$1.75 million. The SBA guaranty fee and interest rates are the same as for any standard 7(a) loans.

Eligibility of Exporter

- Applicants must meet the same eligibility requirements for a 7(a) loan.
- Applicant must establish the loan will significantly expand or develop an export market, or the applicant has been adversely affected by import competition, and, in addition, the applicant must show that upgrading equipment or facilities will improve its competitive position.
- If eligibility is based on entering or expanding export sales, the applicant must submit a one or two page international business plan, including sufficient information to reasonably support the likelihood of expanded export sales.

Use of Proceeds

- For facilities or equipment, including purchasing land and building(s); building new facilities; renovating, improving, or expanding existing facilities; purchasing or reconditioning machinery, equipment and fixtures; and making other improvements that will be used within the United States for producing goods or services.

Collateral Requirements - Collateral requirements are the same as for regular 7(a) loans.

How to Apply - A small business exporter seeking a guaranteed loan must apply to an SBA participating lender. Call your local SBA District Office for a list of participating lenders.

EXPORT EXPRESS

The Export Express program is designed to help SBA meet the export financing needs of small businesses. It is a subprogram of SBAExpress and is therefore subject to the same loan processing, making, closing, servicing, and liquidation requirements as well as the same maturity terms, interest rates, and applicable fees as for other SBA loans except as noted below. The total Export Express loan cannot exceed \$250,000. SBA guarantees 85 percent for loans of \$150,000 and under and 75 percent for loans over \$150,000 to \$250,000. SBA allows participating lenders to make their own credit decisions. SBA provides a quick processing time, less than 36 hours.

Eligible Buyers - The foreign buyer must be a creditworthy entity located in an acceptable country.

Use of Proceeds

- Finance standby letters of credit used for either bid or performance bonds;
- Finance export development activities such as export marketing and promotional activities, participation in

foreign trade shows, translation of product literature for foreign markets, and other activities designed to initiate or expand the applicant's export of its products/services from the U.S.;

- Provide transaction-specific financing for overseas orders;
- Provide revolving lines of credit for export purposes, the term of which must not exceed seven years. In some instances, as a normal course of business, the borrower may use portions of revolving lines of credit for domestic purposes, but no less than 70 percent of the revolver to be used for export related purposes;
- Provide term loans and other financing to enable small business concerns, including small business export trading companies to develop foreign markets; and
- Acquire, construct, renovate, modernize, improve or expand production facilities or equipment to be used in the U.S. in the production of goods or services to be exported from the U.S.

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.

How to Apply

The application process is the same for the SBAExpress, except the applicant must demonstrate that loan proceeds will enable it to enter a new export market or expand an existing export market. The applicant must submit to the lender a plan that includes projected export sales for the upcoming year as well as the dollar volume of export sales for the previous year.

COMMUNITY ADJUSTMENT AND INVESTMENT PROGRAM

The Community Adjustment & Investment Program helps communities that suffered job losses due to changing trade patterns following the North American Free Trade Agreement. The North American Development Bank has partnered with the SBA and the U.S. Departments of Agriculture and the Treasury to make credit available to businesses in affected communities to help create or retain jobs.

SBA'S NON-7(a) LOAN PROGRAMS

In addition to the 7(a) Loan Program SBA has four other non-disaster assistance

programs which can help small businesses gain access to capital and bonding.

DEALER FLOOR PLAN PILOT INITIATIVE

Under the Dealer Floor Plan Pilot Initiative, which will be available through Sept. 30, 2010, SBA will guarantee up to 75 percent of a floor plan line of credit between \$500,000 and \$2 million to eligible dealers of titleable assets, including, but not limited to, automobiles, motorcycles, boats (including boat trailers), recreational vehicles and manufactured housing (mobile homes). The maximum maturity on revolving lines of credit approved under this pilot initiative will be limited to five years.

Proceeds must be used either for the acquisition of titleable inventory for retail sales or to refinance existing floor plan lines of credit with another lender. Repayment of these lines will occur as the acquired inventory is sold. Proceeds may not be used for any other purpose, including to refinance any existing same-institution floor plan line of credit.

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*Wells Fargo is the #1 SBA 7(a) lender in dollar volume. Source: US Small Business Administration for fiscal year 2009.

All credit decisions subject to credit approval by Wells Fargo Bank.

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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. 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:

- \$1.5 million for businesses that create a certain number of jobs or improve the economy of the locality;
- \$2 million for businesses that meet a specific public policy goal, including veterans; and
- \$4 million for manufacturers.

Recent additions to the program allow \$4 million for each project that reduces the borrower's energy consumption by at least 10 percent; and \$4 million for each project that generates renewable energy fuels, such as biodiesel or ethanol production. Projects eligible for up to \$4 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 \$50,000.

- Eligible project costs are limited to long-term, fixed assets such as land and building (occupied by the borrower) and substantial machinery and equipment. Working capital is not an eligible use of proceeds.
- 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 2 years old) and a further injection of 5 percent is also required if the primary collateral will be a single purpose building.
- 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% SBA-guaranteed

debenture) finances up to 40% of the project costs secured with a junior lien. The borrower provides the balance of the project costs.

- Fixed interest rate on SBA loan. 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 \$8.5 million, net profit after taxes under \$3 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/services, then choose "SBA Loans" from the links in the right-hand column. Click on "CDC/504 Program."

Ocean State Business Development Authority

Henry "Bud" Violet, President
155 S. Main St., Ste. 403
Providence, RI 02903
401-454-4560 • 401-454-4890 Fax
www.osbda.com
Serves: Rhode Island, Massachusetts and Connecticut

Bay Colony Development Corporation

David King, Managing Trustee
1601 Trapelo Rd.
Waltham, MA 02451
781-891-3594 • 781-647-4950 Fax
www.baycolony.org
Serves: Massachusetts and Rhode Island

New England Certified/BDC Capital

Nancy Gibeau, Loan/Investment Officer
30 Exchange Terrace
Providence, RI 02903
508-254-7891
www.bdcnewengland.com
Serves: Massachusetts and Rhode Island

Rhode Island Community Investment Corporation

Jim Roche, Manager
2843 South County Trail
East Greenwich, RI 02818
401-398-8580
jimroche@cox.net
www.ri504.org
Serves: Rhode Island and Connecticut

South Eastern Economic Development Corporation (SEED)

Maria Gooch-Smith, President
80 Dean St.
Taunton, MA 02780
508-822-1020 • 508-880-7869 Fax
mgoochsmith@seedcorp.com
www.seedcorp.com
Serves: Massachusetts and Rhode Island

MICROLOAN PROGRAM

The Microloan Program provides small loans ranging from under \$500 to \$35,000. Under this program, the SBA makes funds available to nonprofit intermediaries that, in turn, make the loans directly to entrepreneurs, including veterans. Proceeds can be used for typical business purposes such as working capital, machinery and equipment, inventory and leasehold improvements. Interest rates are negotiated between the borrower and the intermediary.

For more information, go to www.sba.gov/services, then choose "SBA Loans" from the links in the right-hand column. From there, click on "Micro Loans."

South Eastern Economic Development Corporation (SEED)

Laurie Driscoll, Commercial Loan Officer & Business Assistance Manager
80 Dean St.
Taunton, MA 02780
508-822-1020 • 508-880-7869 Fax
info@seedcorp.com
www.seedcorp.com

SMALL BUSINESS INVESTMENT COMPANY PROGRAM

There are a variety of alternatives to bank financing for small businesses. The Small Business Investment Company Program fills the gap between the availability of private capital and the needs of small businesses. Licensed and regulated by the SBA, SBICs are privately owned and managed investment funds that make capital available to qualifying U.S. small businesses through investments or loans. They use their own funds plus funds obtained at favorable rates through SBA-guaranteed leverage. SBICs are for-profit firms whose incentive is to share in the success of a small business. In addition to equity and debt investments, SBICs provide managerial, operational and

technical assistance. The SBIC Program provides funding for a broad range of industries and stage of investment, in areas across the country. Some SBICs invest in a particular field or industry while others invest more generally. For more information visit: <http://www.sba.gov/inv>.

Domestic Capital Corporation

Nicholas W. Lazares, President
815 Reservoir Ave.
Cranston, RI 02910
401-946-3310 • 401-943-6708 Fax
gdegioia@domestic.com

BCA Mezzanine Fund, L.P.

Gregory F. Mulligan, Managing Member
One Turks Head Pl., Ste. 1492
Providence, RI 02903
401-228-3834 • 401-228-3835 Fax
greg@baycapllc.com

Fleet Equity Partners VI, L.P.

Ed Resnick, Sr. Compliance Officer
50 Kennedy Plz., 12th Fl.
Providence, RI 02903
401-278-6809 • 401-278-6387 Fax
eresnick@nautic.com

THE SURETY BOND GUARANTEE PROGRAM

The Surety Bond Guarantee Program is a public-private partnership between the federal government and surety companies that provides small businesses with the bonding assistance necessary for them to compete for government and private contracting opportunities. The guarantee provides the necessary 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 combination of working capital and 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 necessary ancillary bonds issued by surety companies for individual contracts of up to \$2 million. Under the American Recovery and Reinvestment Act, SBA can guarantee up to \$5 million, and up to \$10 million on a federal contract, if the contracting officer certifies that the guarantee is in the best interest of the government. The SBA reimburses sureties a predetermined percentage of losses sustained if a contractor breaches the terms of the contract.

The SBA has two program options available, the Prior Approval Program (Plan A) and the Preferred Surety Bond Program (Plan B). In the Prior Approval Program, SBA guarantees 90 percent of a surety's paid losses and expenses on bonded contracts up to \$100,000, and on

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

For more information on the Surety Bond Guarantee Program, visit SBA's Web site at: www.sba.gov/osg.

Rhode Island Licensed Surety Companies

Barbour Group, LLC

20 Liberty St., Ste. 2D
Westminster, MD 21157
410-876-9610 • 410-876-9956 Fax
info@thebarbourgroup.com
(Licensed in RI)

Blair Insurance Services, Inc.

1201 Logan Blvd.
Altoona, PA 16602
814-946-9486
blairbonni@aol.com
www.blair-insurance.com
(Licensed in RI)

CCI Surety, Inc.

1710 N. Douglas Dr., Ste. 110
Golden Valley, MN 55422
763-543-6993 • 763-546-1822 Fax
www.ccisurety.com
(Licensed in RI)

KPS Insurance Services, Inc.

10650 Trenna St., Ste. 109
San Diego, CA 92131
858-538-8822 • 858-346-9298 Fax
(Licensed in RI)

Northeast Surety, LLC

3 Forest Park Dr.
Farmington, CT 06032
860-674-0123 • 860-674-0170 Fax
kmorottojr@nesurety.com
www.nesurety.com
(Licensed in RI)

The Surety Group Agency, LLC

1900 Emery St., Ste. 120
Atlanta, GA 30318
404-352-8211 • 404-351-3237 Fax
kelly@suretygroup.com
www.suretygroup.com
(Licensed in RI)

Viking Bond Service, Inc.

22601 N. 19th Ave., Ste. 210
Phoenix, AZ 85027
623-933-9334 ext. 16
cynthiab@vbsbond.com
(Licensed in RI)

Wells Fargo Insurance Services USA, Inc.

5755 Mark Dabling Blvd., Ste. 300
Colorado Springs, CO 80919
719-592-1177
christina.schulman@wellsfargo.com
(Licensed in RI)

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LOAN GUARANTY PROGRAMS

(Information current as of March 2010 • All SBA programs and services are provided on a nondiscriminatory basis.)

U.S. Small Business Administration

Program	Maximum Amount	Percent of Guaranty	Use of Proceeds	Maturity	Maximum Interest Rates	Guaranty Fees	Who Qualifies	Benefits to Borrowers
7(a) Loans								
7(a) Basic	\$2 million gross (\$1.5 million guaranty)	Check with local SBA District Office for current information.	Expansion/renovation; new construction, purchase land or buildings; purchase equipment, fixtures, lease-hold improvements; working capital; refinance debt for compelling reasons; seasonal line of credit, inventory	Depends on ability to repay. Generally working capital & machinery & equipment (not to exceed life of equipment) is 5-10 years; real estate is 25 years.	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	Must be for profit & meet SBA size standards; show good character, credit, management, & ability to repay. Must be an eligible type of business.	Long-term financing; Improved cash flow; Fixed maturity; No balloons; No prepayment penalty (under 15 years)
SBAExpress Lender approves. Minimal SBA paperwork.	\$350,000	Check with local SBA District Office for current information.	May be used for revolving lines of credit (up to 7 year maturity) or for a term loan (same as 7(a)).	See 7(a)	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	See 7(a)	Faster turnaround; Streamlined process; Easy-to-use line of credit
Community Express. Lender approves. Minimal SBA paperwork.	\$250,000	Check with local SBA District Office for current information.	May be used for revolving lines of credit (up to 7 year maturity) or for a term loan (same as 7(a)).	See 7(a)	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	HUBZones; LMI areas; All loans of \$25,000 or less	Faster turnaround; Streamlined process; Easy-to-use line of credit Technical assistance provided
Patriot Express Lender approves loan. Minimal additional SBA paperwork.	\$500,000	Check with local SBA District Office for current information.	See 7(a)	See 7(a)	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	See 7(a). In addition, small business must be owned & controlled by one or more of the following groups equaling 51% total ownership: veteran, active-duty military, reservist or National Guard member or a spouse of any of these groups, or a widowed spouse of a service member or veteran who died during service or of a service connected disability.	Lower interest rate maximums than other SBA Express programs Less paperwork Fast turnaround Expanded eligibility Electronic application
CAPLines: Short-term/Revolving Lines of Credit; Seasonal Contract Builders Standard/ Small Asset-Based	\$2 million (small asset based limited to \$200,000)	Check with local SBA District Office for current information.	Finance seasonal working capital needs; cost to perform; construction costs, advances against existing inventory and receivables, consolidation of short-term debts.	Up to 5 years	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	See 7(a) Existing business	Funds short-term working capital ;Various lines of credit ;Allows business to obtain contracts; Larger in size for business growth; Can be used to create current assets; Can be used to finance existing current assets
International Trade	\$2 million (separate working-capital loan + IT loan together may have \$1.75 million combined guaranty but the guaranty portion cannot exceed \$1.25 million)	Check with local SBA District Office for current information.	IT loan must be used only for the acquisition of long-term, fixed assets. A separate working-capital loan may be used for working capital needs associated with international trade.	Up to 25 years.	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	Small businesses (see 7(a) for qualifications) engaged/preparing to engage in international trade/adversely affected by competition from imports.	Long-term financing for land and building where assets are used to produce products for export.
Export Working Capital Program 1-page application, fast turnaround, may apply for prequalification letter.	\$2 million (may be combined with International Trade loan)	Check with local SBA District Office for current information.	Short-term, working-capital loans for exporters	Matched single transaction cycle or generally 1 yr. for line of credit.	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	Small businesses 7(a) for other qualifications, those who need short-term working capital.	Short-term working capital for export needs; Inexpensive minimum guaranty fee ¼ of 1%; Revolving or transaction based; Allows specific financing for exporting without disrupting domestic financing & business plan
Non-7(a) Loans								
Microloans Loans through non-profit lending organizations; technical assistance also provided.	\$35,000 (total loan amount to small business borrower)	Check with local SBA District Office for current information.	Purchase machinery & equipment, fixtures, lease-hold improvements; finance increased receivables; working capital. Cannot be used to repay existing debt.	Shortest term possible, not to exceed 6 years	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	Same as 7(a) except non-profit day care	Direct loans from non-profit intermediary lenders; Fixed-rate financing; Very small loan amounts; Technical assistance available
504 Loans Provided through Certified Development Companies (CDCs) which are licensed by SBA.	504 loan maximum amount ranges from \$1.5 million to \$4.0 million depending on type business.	Check with local SBA District Office for current information.	Long-term, fixed-asset loans; Lender (non-guaranteed) financing secured by first lien on project assets. 504 loan provided from SBA 100% guaranteed debenture sold to investors at fixed rate secured by 2nd lien.	504 Loan: 10- or 20-year term; Lender (unguaranteed) financing may have a shorter term.	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	For profit businesses that do not exceed \$8.5 million in tangible net worth and do not have average net income over \$3 million for past 2 years.	Fees under 3%; Long-term fixed rate; Low down payment; Full amortization; no balloons

CONTRACTING OPPORTUNITIES

FEDERAL PROCUREMENT OPPORTUNITIES

How to Apply for Government Contracts

The federal government is the largest purchaser of goods and services in the world. However, small businesses face challenges when trying to win federal contracts. The SBA can help small businesses work through these challenges. Working closely with federal agencies and the nation's leading large contractors, the SBA works to ensure that small businesses obtain a fair share of government contracts and sub-contracts. The SBA has a number of programs to help small firms do business with the federal government. For more information, visit: www.sba.gov/gc.



The SBA helps to ensure small businesses get fair opportunities to share federal government prime contracts. SBA procurement center representatives work to expand contracting opportunities for small businesses. PCRs review contracting strategies and actions, to identify contracts for which small businesses can compete.

Visit the SBA's Office of Government Contracting home page at: www.sba.gov/aboutsba/sbaprograms/gcbd/GC_PCRD1.html for a listing of PCRs and buying installations nationwide.

THE SUBCONTRACTING ASSISTANCE PROGRAM

The Subcontracting Assistance Program promotes maximum use of small businesses by the nation's large prime contractors. The SBA's commercial market representatives work with large businesses to identify and expand subcontracting opportunities for small businesses. CMRs conduct compliance reviews to ensure that large businesses comply with small business subcontracting requirements.

They also provide guidance to assist small businesses in identifying subcontracting opportunities and marketing their products and services to these large contractors.

CMRs also work with agencies to ensure subcontracting with small and small, disadvantaged businesses, women-owned small businesses, HUBZone firms and small businesses owned by service-disabled veterans through inclusion of subcontracting evaluation factors and sub-factors.

For a list of CMRs, click on: www.sba.gov/aboutsba/sbaprograms/gcbd/GC_PCRD1.html.

THE CERTIFICATE OF COMPETENCY PROGRAM

The Certificate of Competency program allows a small business to appeal a contracting officer's determination that it is unable to fulfill the requirements of a specific government contract on which it is the apparent successful offeror. 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 ability to perform, the SBA issues a certificate of competency to the contracting officer, requiring award of that contract to the small business.

SMALL BUSINESS SIZE STANDARDS

The Small Business Act states that a small business concern is "one that is independently owned and operated and which is not dominant in its field of operation." The law also states that in determining what constitutes a small business, the definition will vary from industry to industry to reflect industry differences accurately. The SBA's Small Business Size Regulations (13 CFR Part 121) implement the Small Business Act's mandate to the SBA.

The SBA has also established a table of size standards, matched to North American Industry Classification System industries, used to determine eligibility for SBA programs and small business preferences for federal government contracts.

A more in-depth listing of standards can be found at www.sba.gov/contracting_opportunities/officials/size/index.html.

Size Determination

The Size Determination Program, administered by SBA's six government contracting area offices, ensures that only small firms receive contracts and other benefits reserved exclusively for small businesses. When a firm's claim that it is small is challenged, the SBA determines if the firm, including all of its affiliates, meets established SBA size standards. Size determinations may also be made when requested in connection with other federal small business programs.

Additional information is available at the above "Size Standards" site.

Nonmanufacturer Waiver Program

The Small Business Act also contains provisions that allow the SBA Administrator to waive this requirement when there are no small business manufacturers or processors available to supply the product to the federal government. The Administrator has delegated the authority to make decisions on waivers of the Nonmanufacturer Rule to the Associate Administrator for Government Contracting in the following cases:

- After reviewing a determination by a contracting officer that no small business manufacturer or processor can reasonably be expected to offer a product meeting the specifications (including period of performance) required of an offeror or by the solicitation; or
- For a product or class of products after determining that no small business is available to participate in the federal procurement market.

These two types of waivers of the rule are regularly referred to as "individual waivers" or "solicitation-specific" and "class waivers."

For the purpose of waivers, a class of products is defined based on the Office of Management and Budget's North American Industry Classification (NAICS) Manual and, presently, on the General Service Administration's Product and Service Code Directory. Within each code are subdivisions of products that can be considered for waiver. A request for a waiver of class of products should refer to a specific subdivision, or statement of product, within a code in one of these manuals.

Any individual or organization (government agency, business, association, etc.) may request a waiver for a class of products. The request should be in writing addressed to the Associate Administrator for Government Contracting and should

specifically state the class, or classes, of products for which the waiver is sought.

More information on the rule is available at: www.sba.gov/aboutsba/sbaprograms/gc/programs/gc_waivers_nonmanufacturer.html.

SMALL BUSINESS VENDOR DATABASE

The SBA works with the integrated acquisition community to provide a database of vendors, including small businesses. The Central Contractor Registration System is the primary gateway vendor and grantee database for the federal government. CCR collects, stores and disseminates data to support agency acquisition and grants missions. Both current and potential federal government vendors and grantees are required to register in CCR to receive federal contracts or grants. Vendors are required to complete a one-time registration to provide basic information relevant to procurement, grant and financial transactions.

Vendors must update or renew their registration at least once a year to maintain an active status. The SBA provides the CCR with authoritative source information regarding certifications under 8(a) Business Development and HUBZone programs and provides the small business size status against each North American Industry Classification code listed in a registrant's profile.

SBA maintains the Dynamic Small Business Search function of the CCR. Businesses profiled on the DSBS can be searched by NAICS codes, keywords, location, quality certification, bonding level, business type, ownership, SBA certification, and by women, minority, veteran and service-disabled veteran ownership. The DSBS serves as a marketing tool for small businesses because the business profiles in the DSBS include information from SBA's files and other available databases plus additional business and marketing information on individual firms.

To search the DSBS for small businesses, click on: http://web.sba.gov/pro-net/search/dsp_dsbs.cfm or select the "Dynamic Small Business Search" at the CCR Web site at: <http://www.ccr.gov>.

Registration in the DSBS is through the CCR. For more information on CCR, or to register, click the CCR Web site. Before registering in CCR, go to the top of the Web page and download the handbook which contains data for a successful registration.

HUBZONE PROGRAM

The Historically Underutilized Business Zone Program stimulates economic development and creates jobs in urban and rural communities by providing federal contracting assistance to small businesses.

The HUBZone program establishes preferences for award of federal contracts to small businesses located in historically underutilized business zones.

In general, small businesses may obtain HUBZone certification by employing staff who live in a HUBZone and maintaining a "principal office" in one of these specially designated areas.

SBA is responsible for:

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

To qualify for the program, a business must meet the following criteria:

- It must qualify as a small business under SBA size standards, corresponding to its primary industry classification;
- Its principal office must be located within a HUBZone, which includes lands on federally recognized Indian reservations and covered by the phrase "Indian Country";
- It must be owned (at least 51 percent) by one or more U.S. citizens, Community Development Corporation, an agricultural cooperative, an Indian tribe; and
- At least 35 percent of its employees must reside in a HUBZone.

Existing businesses that choose to move to qualified areas are eligible. To fulfill the requirement that 35 percent of a HUBZone firm's employees reside in a HUBZone, employees must maintain a primary residence in a HUBZone for at least 180 days or be a currently registered voter in that area.

For additional information regarding the HUBZone Program, please visit: <http://www.sba.gov/hubzone> or contact Norm Deragon at the Rhode Island District Office, 401-528-4561 ext. 4576.

ASSISTANCE FOR SMALL & DISADVANTAGED BUSINESSES 8(a) Business Development Program

The SBA's Section 8(a) Business Development Program provides various forms of assistance (management and technical assistance, financial assistance,

government contracting assistance and advocacy support) to foster the growth and development of businesses owned and controlled by one or more socially and economically disadvantaged individuals. SBA assists these businesses, (during a nine-year tenure in the 8(a) Business Development Program), to gain access to the resources necessary to develop their businesses and improve their ability to compete in the mainstream of the American economy.

Business development assistance includes one-to-one counseling, training workshops, and other management and technical guidance required to expand into the federal government contracting arena.

The SBA enters into contracts with other federal agencies and subcontracts the performance of such contracts to eligible 8(a) program participants.

Eligibility Criteria:

To participate in the 8(a) program, a business must be:

- a small business
- owned by one or more U.S. citizens
- at least 51 percent unconditionally owned and controlled by one or more an individual(s) who qualify as socially and economically disadvantaged
- established for two full years before applying (or qualifying for a waiver of the two-year rule)

Social disadvantage:

Socially disadvantaged is defined as individuals 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, Hispanic Americans, Asian Pacific Americans and Subcontinent Asian Americans. An individual who is not a member of one of the groups presumed to be socially disadvantaged must establish individual social disadvantage by a preponderance of the evidence. Anyone may apply for 8(a) Program certification.

For additional information regarding evidence of social disadvantage, please visit: <http://www.sba.gov/aboutsba/sbaprograms/8abd/index.html>.

Economic disadvantage:

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.

Net worth:

For initial 8(a) Program certification, the net worth of an individual claiming disadvantage, must be less than \$250,000. For continued 8(a) Program eligibility after admission, net worth must be less than \$750,000. In determining such net worth, SBA will exclude the ownership interest in the applicant business and the equity in the primary residence.

Day-to-Day Management:

- Management and daily business operations must be controlled by the disadvantaged individual(s) upon whom eligibility is based.
- The individual(s) must have management or technical expertise.

For additional information on the 8(a) Business Development Program, visit: <http://www.sba.gov/aboutsba/sbaprograms/8abd/index.html>.

Small Disadvantaged Business Certifications

To qualify as a small disadvantaged business, a firm must be owned and controlled by one or more individuals who are socially and economically disadvantaged. Congress has directed that

individuals who are members of certain ethnic groups are presumed to be disadvantaged. Other persons, including women and persons of any race, can also qualify by establishing their disadvantaged status.

Firms self-certify as SDB for federal prime contracts and federal subcontracts without submitting any application to SBA for SDB certification.

To self-certify as small disadvantaged businesses, firms should:

- 1) Update their Central Contractor Registration (CCR) profile, ensuring they select they are a self-certified Small Disadvantaged Business; and
- 2) Update their company's Online Representation and Certification Application - specifically, the Federal Acquisition Regulation clause at 52.219-1(b)(2), entitled "Small disadvantaged business concern," and check the box indicating they are a self-certified SDB.

Other than its list of certified 8(a) firms, SBA will no longer maintain a list of certified SDB firms. The 8(a) Business Development Program is not affected by this rule. Firms may continue to apply for 8(a) Certification.

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EVP, Business Lending



Joseph Hindle
VP, Business Lending



Linda Geremia
VP, Signature Banking



Russell Gaston
SVP, Business Lending



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www.coastway.com

Applying Online For 8(a) Program Certification

Prior to applying for the 8(a) Program, each firm is urged to take an on-line training and self-evaluation course. To get to the course, click on <http://training.sba.gov:8000/assessment>. The first part explains 8(a) Program in detail, ending in an eligibility self-assessment test.

The Mentor-Protégé Program for 8(a) Participants

Through the SBA's Mentor-Protégé Program, 8(a) Program participants can receive in-depth business advice to assist them in becoming more competitive in obtaining federal government contracts. The SBA's Mentor-Protégé Program encourages private-sector relationships and broadens efforts to address the needs of clients in the 8(a) Program.

If you are an 8(a) participant, mentors can provide you with technical and management assistance, financial assistance in the form of equity investments or loans, subcontract support, and assistance in performing prime contracts through joint-venture arrangements with 8(a) businesses.

For more information, visit: <http://www.sba.gov/aboutsba/sbaprograms/8abd/mentorprogram/index.html>.

MANAGEMENT AND TECHNICAL ASSISTANCE

SBA's Section 7(j) Management and Technical Assistance Program authorizes the SBA to enter into grants, cooperative agreements and contracts with public or private organizations to pay all or part of the cost of technical or management assistance for individuals or concerns eligible for assistance under sections: 7(a) (11), 7(j) (10), or 8(a) of the Small Business Act. Specifically, the following are eligible to receive management and technical assistance including businesses which qualify as small under 13 CFR part 121 concerns located in urban or rural areas with high proportions of unemployed or low-income individuals, or which are owned by such low-income individuals; and businesses eligible to receive 8(a) contracts.

The types of assistance available to eligible individuals through the Management and Technical Assistance Program include counseling and training in the areas of:

- Finance
- Management
- Accounting
- Bookkeeping

- Marketing and presentation analysis
- Advertising
- Loan packaging
- Proposal bid preparation
- Feasibility studies
- Industry specific technical assistance
- The identification and development of new business opportunities

More information is at: <http://www.sba.gov/aboutsba/sbaprograms/8abd/grantinfo/index.html>, or call the Rhode Island District Office at 401-528-4561.

SERVICE-DISABLED, VETERAN-OWNED SMALL BUSINESS

In May 2004, the Small Business Act established procurement vehicles for small businesses owned and controlled by service-disabled veterans to assist agencies in achieving the 3 percent governmentwide goal for procurement from service-disabled, veteran-owned small businesses.

Contracting officers may award a sole-source or set-aside contract to a small business owned by a service-disabled veteran if:

- The requirement is determined to be excluded from fulfillment through award to Federal prison industries, Javits Wagner-O'Day, Orders under Indefinite Delivery Contracts, Orders against Federal Supply Schedules, requirements currently being performed by 8(a) participants, and Requirements for commissary or exchange resale items.
- The requirement is not currently being performed by an 8(a) participant, and unless SBA has consented to release of the requirement from the Section 8(a) Program.
- SBA has not accepted the requirement for performance under the 8(a) authority, unless SBA has consented to release of the requirement from the Section 8(a) Program.
- There is a reasonable expectation that at least two responsible SDVO businesses will submit offers.
- The award can be made at a fair market price.

SDVO Sole Source Contracts

A contracting officer may award a sole source contract to a SDVO small business if the officer determines that none of the set-aside exemptions or provisions apply and the anticipated award price of the contract, including options, will not exceed:

- \$5.5 million for manufacturing requirements
- \$3.5 million for all other requirements
- The SDVO small business is a responsible contractor able to perform the contract
- The award can be made at a fair and reasonable price

SDVO Simplified Acquisition Contracts

If a requirement is at or below the simplified acquisition threshold, a contracting officer may set-aside the requirement for consideration among SDVO small businesses using simplified acquisition procedures, or may award a sole source contract to a SDVO small business. More information is available at: www.sba.gov/gc/indexprograms-vets.html.

Veterans and service-disabled veterans may participate in all SBA procurement programs. To determine your eligibility, contact your local veterans business development officer in your nearest SBA district office, visit the various program Web sites or contact the SBA's Office of Veterans Business Development at: www.sba.gov/vets or contact:

Norm Deragon

Business Development Specialist
Veterans Business Development Officer
380 Westminster St., Ste. 511
Providence, RI 02903
401-528-4561 ext. 4576
normand.deragon@sba.gov

Service Disabled, Veteran-Owned Small Business Protest

The SDVO Protest program is administered by SBA to ensure that only businesses owned by service disabled veterans receive contracts reserved exclusively for them. When a business's SDVO self-certification on a contract is challenged, the SBA determines if the business meets the status, ownership and control requirements. More information is available at: http://www.sba.gov/aboutsba/sbaprograms/gc/programs/gc_service_disabled.html.

SMALL BUSINESS INNOVATION RESEARCH PROGRAM

The SBIR Program encourages small businesses to explore their technological potential by reserving a specific percentage of federal research and development funds for small businesses. The 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 organized for profit.
- Principal researcher must be employed by small business.
- Company size cannot exceed 500 employees.

For more information on the SBIR Program visit: <http://www.sba.gov/aboutsba/sbaprograms/sbir/index.html>.

Participating Agencies:

Each year, the following eleven federal departments and agencies are required to reserve a portion of their R&D funds for award to small business: 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 STTR program reserves a specific percentage of federal R&D funding for award to small business and nonprofit research institution partners. 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. Conversely, nonprofit research laboratories are instrumental in developing high-tech innovations. But frequently, innovation is confined to the theoretical, not the practical. 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 organized for profit.
- Principal researchers need not be employed by small business.
- Small business must conduct at least 40 percent of the work.
- 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.
- The research institution must conduct at least 30 percent of the work.

Participating Agencies:

Each year the following five Federal departments and agencies are required by STTR to reserve a portion of their 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.

TECH-NET

TECH-Net is an Internet-based database of information containing Small Business Innovation Research awards and Small Business Technology Transfer awards.

It is a search engine and electronic gateway of technology information and resources for and about small high-tech businesses. It is a tool for researchers, scientists, state, federal and local government officials, a marketing tool for small firms and a potential "link" to investment opportunities for investors and other sources of capital.

TECH-Net is a free service for those seeking small business partners, small business contractors and subcontractors, leading edge technology research, research partners, (e.g. small businesses, universities, federal labs and non-profit organizations), manufacturing centers and investment opportunities.

TECH-Net is available at: <http://web.sba.gov/technet/docrootpages/index.cfm>.

Rhode Island Minority Business Enterprise Compliance Office

The Rhode Island Minority Business Enterprise Compliance Office promotes the development of certified minority (MBE) and women-owned (WBE) business enterprises. It does this by facilitating their participation in Rhode Island's business and economic development opportunities. Specifically, MBECO services include certification, enforcement, business assistance and advocacy.

Procurement and Marketing

MBECO publishes directories of certified MBE and WBE firms. It provides a resource and referral service for certified

firms with information about federal, state, municipal and private sector and procurement opportunities, bidding and contracting, financial resources, business assistance agencies and organizations, business membership and networking organizations.

Eligibility
A small business concern which is at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals or in the case of a publicly owned business, at least fifty-one (51%) of the stock of which is owned by one or more socially and economically disadvantaged individuals; and whose management and daily business operations are controlled by one or more such individuals.

Rhode Island Minority Business Enterprise Compliance Office

Charles Newton, Administrator
One Capitol Hill, 2nd Fl.
Providence, RI 02908
401-574-8670 • 401-574-8387 Fax
www.mbe.ri.gov
cnewton@gw.doa.state.ri.us

For more information on Rhode Island's procurement system, contact: www.purchasing.state.ri.us.

Rhode Island Procurement Technical Assistance Center (RIPTAC)

The Rhode Island Procurement Technical Assistance Center provides specialized and professional assistance to individuals and businesses seeking to sell, or are currently selling, their goods and services to the Department of Defense, other federal agencies, state and local governments. This assistance may consist of, but is not limited to, bid match service, outreach training, and counseling services.

Having an established business, e-mail access, a presence in Rhode Island, and an interest in the government market are the only criteria for participating in the program. All RIPTAC services are provided free of charge.

Rhode Island Procurement Technical Assistance Center

Rhode Island Economic Development Corporation

Dorothy Reynolds, Program Manager
555 Valley St., Ste. 101
Providence, RI 02908
401-278-9100 ext. 175 • 401-273-8270 Fax
dreynolds@riedc.com
www.riptac.com

DISASTER RECOVERY & 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, businesses of all sizes and private, non-profit organizations following declared disasters. By law, governmental units and agricultural enterprises are ineligible.

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 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.

Economic Injury Disaster Loans

Economic injury disaster loans provide the necessary working capital after a declared disaster until normal operations

resume. The law restricts economic injury disaster loans to small businesses, small agricultural cooperatives and private nonprofit organizations of all sizes. The loan limit for economic injury, as a direct result of the disaster event, is \$2 million. These working capital loans are intended to be made to entities without credit elsewhere, as determined by SBA, to help pay ordinary and necessary operating expenses that would have been payable barring the disaster event. The limit for physical and EIDL loans combined is \$2 million.

Military Reservists Economic Injury Disaster Loans, a type of economic injury loan, are available for up to \$2 million to assist eligible small businesses meet their ordinary and necessary operating expenses that they could have met, but are unable to meet, because an essential employee was "called up" to active duty in his/her role as a military reservist. These loans are intended to provide only the amount of working capital needed by a small business to pay its necessary obligations as they mature until operations return to normal after the essential employee is released from active military duty.

For all disaster loans, SBA can only approve loans to applicants having a credit history acceptable to SBA and who also show the ability to repay the loans. 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 each applicant does or does not have credit available elsewhere (the ability to borrow or use their own resources to overcome the disaster).

More information on all of SBA's disaster assistance programs is available at: <http://www.sba.gov/services/disasterassistance/index.html>. Information for military reservists called to active duty is at: <http://www.sba.gov/services/disasterassistance/militaryreservistsloans/index.html>.

Disaster Preparedness

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

Surviving begins long before the disaster strikes, or before active-duty orders are received – with proper planning. Your planning should include insurance coverage, emergency power, protection of company records, fire safety, medical emergencies, taking care of your employees and continuity planning – how your business will continue during and after the emergency or disaster.

Starting is as easy as clicking on the SBA's Disaster Preparedness Web site at: <http://www.sba.gov/services/disasterassistance/disasterpreparedness/index.html>. The site includes a wealth of information on the SBA's disaster recovery programs for homeowners and renters, and businesses of all sizes. There are articles on emergency planning for disasters, descriptions of SBA's programs, and links to government and industry Web sites with great planning information.

There is also a link to www.ready.gov, the Department of Homeland Security's Web site for home and business disaster planning.

Small- to medium-sized businesses are vulnerable in an emergency. A plan can help protect your company and enhance its potential to recover after an emergency.

The [ready.gov](http://www.ready.gov) site contains downloadable publications detailing the planning you'll need to stay in business after a disaster strikes. One publication, the Ready Business Mentoring Guide – User Edition, contains worksheets, checklists, testimonials and a sample emergency plan to use for study. You can order the publication or download it free.

Planning for a disaster is the best way of limiting its effects.

ADVOCACY

WATCHING OUT FOR YOU

The SBA is Your Voice in Washington



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. Advocacy 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 business in the economy and the impact of government policies on small business. 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/advo.

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 by fax at 202-481-5719; online at the Ombudsman's Web page: <http://www.sba.gov/ombudsman>; or by mail at 409 Third Street S.W., Mail Code 2120, Washington, DC 20416.

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

Learn more about the National Ombudsman from the Web site above or call 888-REG-FAIR.

OTHER ASSISTANCE

Other Sources of Assistance

CENTER FOR WOMEN & ENTERPRISE

Carmen Diaz-Jusino, Program Manager
Business Plan/Consulting Support
132 George M. Cohen Blvd.
Providence, RI 02903
401-277-0800 • 401-277-1122 Fax
info@cweonline.org
http://www.cweonline.org

EVERY COMPANY COUNTS

Sherri Lynn Carrera, Operations Manager
555 Valley St., Ste. 101
Providence, RI 02908
401-278-9100 ext. 127
scarrera@riedc.com
www.everycompanycounts.com

JOHN H. CHAFEE CENTER FOR INTERNATIONAL BUSINESS

Trade/Export Services
Raymond Fogarty, Director
1150 Douglas Pike
Smithfield, RI 02917
401-232-6407 • 401-232-6416 Fax
info@chafeecenter.org
http://www.chafeecenter.org

RHODE ISLAND-ADVOCACY/LOBBYING

Terrance S. Martiesian, State Director
159 Elmgrove Ave.
Providence, RI 02906
401-421-8676 • 401-421-3924 Fax
terrance.martiesian@verizon.net
http://www.rilobbyist.com

PROCUREMENT TECHNICAL ASSISTANCE CENTER-GOVERNMENT CONTRACTING

Dorothy Reynolds, Director
555 Valley St., Ste. 101
Providence, RI 02908
401-278-9175 • 401-273-8270 Fax
dreynolds@riedc.com
http://www.riptac.com

PROVIDENCE ECONOMIC DEVELOPMENT PARTNERSHIP

Financing
Thomas Deller, Executive Director
400 Westminister St., 6th Fl.
Providence, RI 02903
401-351-4300 ext. 604
401-351-6533 Fax
progress-prov@earthlink.net
http://www.providenceri.biz

RHODE ISLAND CENTER FOR AGRICULTURE PROMOTION & EDUCATION

Stuart Nunnery, Executive Director
235 Promenade St., Ste. 370/P.O. Box 40940
Providence, RI 02908
401-592-0209
ricape@cox.net

RHODE ISLAND BAR ASSOCIATION

Lawyer Referral Service and Reduced Fee Program
401-421-7799
sfontaine@ribar.com

RHODE ISLAND DEPARTMENT OF ADMINISTRATION ~ DIVISION OF PURCHASES-GOVERNMENT CONTRACTING

Lorraine Hynes
One Capitol Hill
Providence, RI 02908-5855
401-574-8100 • 401-574-8387 Fax
lhynes@purchasing.state.ri.us
http://www.purchasing.ri.gov

RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION

Regulatory Assistance
Richard Bernstein, Executive Counsel
233 Richmond St.
Providence, RI 02903
401-462-9539 • 401-462-9536 Fax
rbernstein@dbr.state.ri.us
http://www.dbr.ri.gov

RHODE ISLAND DEPARTMENT OF ENVIRONMENTAL MANAGEMENT-DIVISION OF AGRICULTURE

Regulatory Assistance
Ken D. Ayers, Chief
235 Promenade St.
Providence, RI 02908
401-222-2781 ext. 4500
401-222-6047 Fax
ken.ayers@dem.ri.gov

RHODE ISLAND DEPARTMENT OF LABOR & TRAINING ~ EMPLOYER SERVICE UNIT-EMPLOYEE RECRUITMENT

Connie Parks
1511 Pontiac Ave.
Cranston, RI 02920
401-462-8724 • 401-462-8722 Fax
cparks@dlr.ri.gov
http://www.dlr.ri.gov

RHODE ISLAND DIVISION OF TAXATION-REGULATORY ASSISTANCE

One Capitol Hill
Providence, RI 02908
401-574-8829
www.tax.state.ri.us

RHODE ISLAND MANUFACTURER'S EXTENSION SERVICE (RIMES)

Operations/Supply Chain Management
Leslie Taito, CEO
555 Valley St., Ste. 101
Providence, RI 02908
401-270-8896 • 401-270-8907 Fax
ltaito@rimes.org
http://www.rimes.org

RHODE ISLAND MINORITY BUSINESS ENTERPRISE OFFICE (MBECO)

Government Contracting
Charles Newton, Administrator
Department of Administration
One Capitol Hill, 2nd Fl.
Providence, RI 02908
401-574-8670 • 401-222-6387 Fax
cnewton@gw.doa.state.ri.us
www.mbe.ri.gov

RHODE ISLAND OSHA CONSULTATION PROGRAM-REGULATORY ASSISTANCE

James Bruckshaw, Safety Consultant
3 Capitol Hill
Providence, RI 02908
401-222-5960 • 401-222-6548 Fax
james.bruckshaw@health.ri.gov
http://www.health.ri.gov

RHODE ISLAND SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Accounting/Financial Analysts
Robert Mancini
45 Royal Little Dr.
Providence, RI 02904
401-331-5720 • 401-454-5780 Fax
rmancini@riscpa.org
http://www.riscpa.org

RHODE ISLAND SECRETARY OF STATE OFFICE FIRST STOP BUSINESS INFORMATION CENTER-BUSINESS START-UP & LICENSING

Kelly E. Carello, Director
148 West River St.
Providence, RI 02903
401-222-2185 • 401-222-1309 Fax
kcarello@sec.state.ri.us
http://www.sec.state.ri.us/corps/

THE RHODE ISLAND SMALL BUSINESS ADVOCACY COUNCIL LOBBYING

Lt. Governor Elizabeth Roberts, Chair
116 State House
Providence, RI 02903
401-222-2371 • 401-222-2012 Fax
http://www.lt.gov.ri.gov/smallbusiness

RHODE ISLAND SMALL BUSINESS DEVELOPMENT CENTERS

Business Plan/Consulting Support
Johnson & Wales University
John Cronin, State Director
Richmond Bldg., 4th Fl.
270 Weybosset St.
Providence, RI 02903
401-598-2704 • 401-598-2722 Fax
john.cronin@jwu.edu
www.risbdc.org

SCORE- COUNSELOR TO AMERICA'S SMALL BUSINESS-BUSINESS PLAN/CONSULTING SUPPORT

Dave Herbst, Chapter Chair
JGE Knight Chapter 13
380 Westminister St., Ste. 511
Providence, RI 02903
401-528-4561 • 401-528-4539 Fax
http://www.riscore.org

SMALLER BUSINESS ASSOCIATION OF NEW ENGLAND (SBANE)

Advocacy/Lobbying
Philip M. Papoojian, President & COO
Metachem Resins Corporation
1505 Main St.
West Warwick, RI 02893
401-822-9300 • 401-822-9311 Fax

U.S. DEPARTMENT OF AGRICULTURE

Joann Demars, Area Director
60 Quaker Ln., Ste. 44
Warwick, RI 02886
401-826-0842 ext. 4
www.rurdev.usda.gov/rbs
Provides financial and technical resources in rural areas to foster community development and to create and preserve quality jobs. Provides direct and guaranteed loans to rural businesses.

WARWICK SERVICE CENTER- RURAL & DEVELOPMENT

David M. Delisle, Area Director
60 Quaker Ln., Ste. 44
Warwick, RI 02886
401-826-0842
www.ri.ncrs.usda.gov

U.S. DEPARTMENT OF COMMERCE

Bureau of the Census
Boston Regional Office
4 Copley Pl., Ste. 301
Boston, MA 02117-9108
617-424-4501 or 800-562-5721
617-424-0547 Fax
boston.regional.office@census.gov

U.S. GENERAL SERVICES ADMINISTRATION

Regional Service Center- Front door to contracting opportunities with GSA or the Federal government in general.
380 Westminister St.
Providence, RI 02903
401-528-4139
www.gsa.gov

U.S. DEPARTMENT OF LABOR

OSHA Office- Information on wage & hour laws; health and safety regulations
380 Westminister St.
Providence, RI 02903
401-528-4669
www.dol.gov

U.S. INTERNAL REVENUE SERVICE

Providence Office- Provides Federal tax questions, tax forms and publications
380 Westminister St.
Providence, RI 02903
401-525-4282
www.irs.gov

U.S. DEPARTMENT OF COMMERCE

International Trade Administration- Promotes international trade; provides market research, trade leads, resource library and counseling.
www.trade.gov

PROVIDENCE EXPORT ASSISTANCE CENTER

Keith Yatsuhashi
Senior International Trade Specialist
555 Valley St., Ste. 101
Providence, RI 02908
401-528-5104 • 401-528-5067 Fax
http://www.buyusa.gov/rhodeisland
kyatsuha@mail.doc.gov

OTHER ASSISTANCE

RHODE ISLAND HOSPITALITY AND TOURISM ASSOCIATION

Advocacy/Lobbying
Dale Venturini, President/CEO
94 Sabra St.
Cranston, RI 02910
401-223-1120 • 401-223-1123 Fax
dventurini@rihospitality.org
http://www.rihospitality.org

THE RHODE ISLAND MANUFACTURERS ASSOCIATION

Accounting/Lobbying
John Grady, Executive Director
229 Waterman St.
Providence, RI 02906
401-751-0160 • 401-751-0161 Fax
rima@mfgri.com
http://www.rimanufacturers.com

Better Business Bureau

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

BETTER BUSINESS BUREAU OF NEW ENGLAND

235 W. Central St., Ste. 1
Natick, MA 01760-3767
508-652-4800
info@boston.bbb.org
www.boston.bbb.org

Rhode Island Chambers of Commerce

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

BLOCK ISLAND

Kathy Szabo, Executive Director
Drawer D
Block Island, RI 02807
401-466-2982 • 401-466-5286 Fax
www.blockislandchamber.com
info@blockislandchamber.com

CENTRAL RHODE ISLAND

Lauren Slocum, President and CEO
3288 Post Rd.
Warwick, RI 02886
401-732-1100 • 401-732-1107 Fax
www.centralrichamber.com
business@centralrichamber.com

CHARLESTOWN

Heather Paliotta, Executive Director
4945 Old Post Rd.
Charlestown, RI 02813
401-364-3878 • 401-364-8794 Fax
www.charlestownrichamber.com
contact@charlestownchamber.com

CRANSTON

Susan Pagnozzi, President
48A Rolfe Sq.
Cranston, RI 02910
401-785-3780 • 401-785-3782 Fax
www.cranstonchamber.com
info@cranstonchamber.com

EAST BAY

Betty Pleacher, President
16 Cutler St., Ste. 102
Warren, RI 02885
401-245-0750 • 401-245-0110 Fax
www.eastbaychamberri.org
info@eastbaychamberri.org

EAST GREENWICH

Jerry A. Meyer, Executive Director
591 Main St.
East Greenwich, RI 02818
401-885-0020 • 401-884-0048 Fax
www.eastgreenwichchamber.com
jerry@eastgreenwichchamber.com

EAST PROVIDENCE

Laura McNamara, Executive Director
1005 Waterman Ave.
East Providence, RI 02914
401-438-1212 • 401-435-4581 Fax
www.eastprovchamber.com
office@eastprovchamber.com

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www.westerlychamber.org
info@westerlychamber.org

Credit Bureaus

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Providence, RI 02903
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401-739-8800 ext. 435

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1370 S. County Tr.
East Greenwich, RI 02818
401-886-4600

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Newport, RI 02840
401-847-5500

OCEAN STATE BUSINESS DEVELOPMENT AUTHORITY (504)

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Providence, RI 02903
401-454-4630

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2843 S. County Tr., Ste. C-9
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- PLP: Preferred Lender Program -1-day turn around from SBA
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- 504: Fixed rate loans for Real Estate/M&E purchase or improvement
- PX: Patriot Express

SUCCESS STORY

Jack Goodison

continued from page 7

and the Department of Homeland Security who encouraged them to focus on ship repair.

Jack applied for the HUBZone certification, which was approved in September 2005. Prior to the HUBZone certification, about 44 percent of the company's sales were from government contracts. One year later government contracting sales grew to 90 percent, with about 50 percent being HUBZone set aside contracts. In 2006 the company was awarded 44 contracts, mostly from the U.S. Coast Guard for ship repair work along the east coast. During fiscal year 2007, Goodison received 74 contracts totaling \$2 million.

Goodison also credits the HUBZone program for the company's employee growth. That growth is not only in the number of employees, but also in the numerous opportunities to provide training to individuals who reside in HUBZones but have limited job skills. The company currently has 19 full time employees. J. Goodison has provided job skills, good pay and benefits to employees who were unskilled and transformed them into successful, specially trained individuals who are valuable assets to the company. Goodison crews have performed contract work from Maine to Florida and along the Great Lakes.

Jack Goodison appreciates the opportunities his company has realized in government contracting through the HUBZone program. The certification has helped the company succeed. While many small businesses struggle to survive during these trying economic times, the J. Goodison Company has experienced tremendous growth. Goodison is proud of the work his company has accomplished for the federal government, particularly the U.S Coast Guard.



AWARD WINNERS

Introduction to Small Business Week

Each year since 1963, the President of the United States has designated 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, 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, regional and national levels, these awards spotlight the outstanding contributions of small business persons, champions, exporters and young entrepreneurs. 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 champion and special award categories 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

Any individual or organization dedicated to the support of the small business community in the United States, including, but not limited to, trade and professional associations and business organizations, may submit nominations for Small Business Person of the Year, Champions of the Year, and special Small Business Week awards. For nomination guidelines contact Faith White, 401-528-4561 faith.white@sba.gov.

Awards and Selections

Small Business Person of the Year, Champions of the Year and Special award winners will be selected at the district, Regional and national levels. Winners at each level will be considered for awards at the next higher level.

Awards

Small Business Person of the Year
 Small Business Exporter of the Year
 Entrepreneurial Success Award
 Financial Services Champion of the Year
 Jeffrey Butland Home-based Business of the Year
 Minority Small Business Champion of the Year
 Veteran Small Business Champion of the Year
 Women in Business Champion of the Year
 SBA Young Entrepreneur of the Year
 Small Business Journalist of the Year

2010 Rhode Island Small Business Award Winners

SMALL BUSINESS PERSON OF THE YEAR

Jack L. Goodison, CEO/CFO
 J. Goodison Company, Inc.

RHODE ISLAND SBA DISTRICT DIRECTOR AWARD

Keith Stokes, Executive Director
 Rhode Island Economic Development Corporation

SBA YOUNG ENTREPRENEUR OF THE YEAR

Rhode Island and New England
 Rebecca Baton, Owner
 Rebecca's Salon & Day Spa LLC

JOSEPH G.E. KNIGHT AWARD FOR ENTREPRENEURIAL EXCELLENCE

Nancy Moretti
 Just for Kids Early Childhood Learning Center

JEFFREY BUTLAND FAMILY-OWNED BUSINESS AWARD

Gerard L. Bucci, Jr., President/CEO
 Warwick Ice Cream Company

FINANCIAL SERVICES CHAMPION OF THE YEAR

Laurie Walsh, Commercial Loan Officer and Business Assistance Manager
 South Eastern Economic Development Corporation

MINORITY SMALL BUSINESS CHAMPION OF THE YEAR

Claudia Cardozo-Tarullo, Small Business Account Executive
 Rhode Island Economic Development Corporation

WOMEN IN BUSINESS CHAMPION OF THE YEAR

Carmen Diaz-Jusino, Program Manager
 Center for Women & Enterprise, Providence





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