

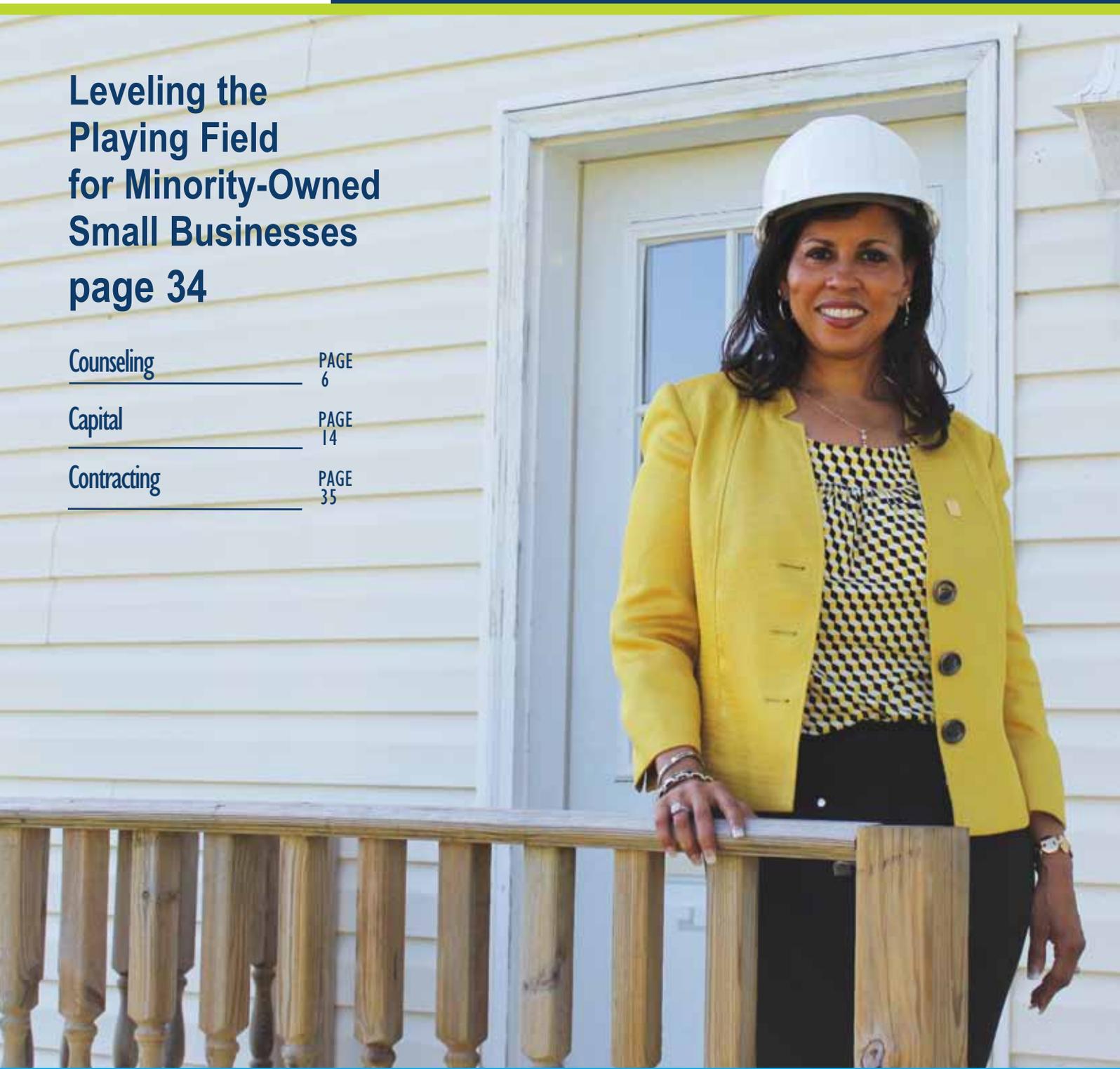


U.S. Small Business Administration

# SMALL BUSINESS RESOURCE

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SMALL BUSINESS

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2013-2014 UTAH

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



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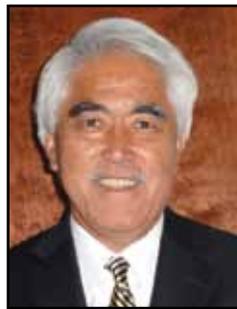
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# Expanding Possibilities

**W**elcome to the 2014 Edition of the Utah District Office Small Business Resource Guide. SBA is pleased to provide this Guide to entrepreneurs and business owners throughout Utah who are looking to start or grow their companies. All of SBA's core services for small business are designed to help you reach the next level of business success...whether you are just starting out, or have been in business for some time.

Historically, our goal as a Federal Agency has been to focus on programs and service that have a major impact on small business success, such as improving access to credit, counseling on a variety of business topics and improving access to government contracting opportunities. However, the changing economic landscape of the last few years and other factors have brought to light the need for SBA to identify new initiatives designed to expand the potential for success among those who may elect to pursue an entrepreneurial path.

SBA is collaborating with our Resource Partners, several colleges and universities around the country, and the military branches themselves, to offer the Boots to Business initiative to veterans leaving military service. Attendees receive intensive, focused instruction on many aspects of entrepreneurship in preparation for starting their own businesses. SBA is also partnering with AARP to promote the Encore Entrepreneur initiative designed to inform and assist the 50+ age group who have an interest in potentially starting or owning a business.

On the lending side, SBA has expanded access to capital through the addition of the Community Advantage loan guarantee

program. The program was created to enable some non-traditional lenders to participate in SBA's loan program, including Certified Development Companies, Micro-Lenders and Community Development Finance Institutions. The end result should be more lenders making more loans to small businesses throughout Utah and the country. Women small business owners now have increased access to federal government contracting opportunities after SBA eliminated the cap on contract size for over 80 types of products and services during 2013. Additionally, SBA.gov has added more online resources designed to help interested small companies better navigate the federal procurement process.

Finally, SBA has partnered with the U.S. Department of Health and Human Services to help small business owners better understand the opportunities and options available to them and their employees through the Affordable Care Act, which takes effect in January 2014.

With these additional initiatives, and our continued emphasis on making counseling and training available to any small business though our dedicated Resource Partners in both urban and rural areas of Utah, SBA is expanding possibilities for small business success among an even greater number of Utah residents. We look forward to serving all who desire to start or grow a small business in Utah.

**Sincerely,**

**Stan Nakano**

*District Director of  
SBA's Utah District Office*

## We Welcome Your Questions

For extra copies of this publication or questions please contact:

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125 South State Street, Suite 2227  
Salt Lake City, UT 84138

Tel: 801-524-3209 Fax: 801-524-4410

Website: [www.sba.gov/ut](http://www.sba.gov/ut)

# Doing Business in Utah

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



## THE UTAH DISTRICT OFFICE

The Utah District Office is responsible for the delivery of SBA's many programs and services. The District Office is located at 125 South State Street, Suite 2227, Salt Lake City, UT. Office hours are from 8:00 AM until 4:30 PM, Monday through Friday.

## CONTACTING THE UTAH DISTRICT OFFICE

For program and service information, please email [Utahgeneral@sba.gov](mailto:Utahgeneral@sba.gov) or call 801-524-3209.

## SERVICES AVAILABLE

Financial assistance for new or existing businesses through guaranteed loans made by area bank and non-bank lenders. Free counseling, advice and information on starting, better operating or expanding a small business through the SCORE, the Small Business Development Centers (SBDC), and the Women's Business Center (WBC).

They also conduct training events throughout the district - some require a nominal registration fee. Assistance to businesses owned and controlled by socially and economically disadvantaged individuals through the 8(a) Business Development Program. Special loan programs are available for businesses involved in international trade and a Veterans Affairs Officer is available to assist veterans.



## SUCCESS STORY

### 2013 Utah Small Business Person of the Year

### Roland J. Christensen, PhD. Applied Composite Technology Aerospace

Growing up in a small, rural town of around 200 people taught Roland Christensen several life lessons: the rewards of forging strong personal relationships, the value of hard work, and perhaps the most important, a strong sense of community.

After obtaining a PhD in Mechanical Engineering from the University of Utah, serving as an officer in the US Air Force, and holding technical and executive positions in several carbon-fiber related companies, Roland Christensen returned home and started his company in 1985, then known as Applied Composite Technology, in an extension of his garage.

Using his keen sense of innovation and paying meticulous attention to details, Roland quickly grew the company to about \$5 million in annual sales with 25 employees. The company continually reinvented itself, and weathered a 50 percent cut in sales. But, within two years Roland brought their sales back to \$7

million. Even though ACT was located in a rural environment, Christensen turned many of his company's challenges into eventual strengths.

The original ACT designed world class carbon fiber prosthetic feet and knee parts that sold worldwide. This company grew over three decades and along with the growth of ACT, Christensen was able to develop several other companies. Over time, ACT also became a major player in a different industry – ACT Aerospace was created.

ACT Aerospace has over 20 years of composite design, analysis and manufacturing success, taking advantage of Roland's 35 plus U.S. patents. ACT Aerospace has the capability to take a client's product from design to build and test all at one location. The results have given ACT Aerospace the ability to secure contracts that have given the company continuing growth and success.

In the late 2000's with the economic downturn, ACT Aerospace lost a large commercial aircraft contract, accounting for close to half of their overall business. They responded to the loss of the contract by seeking out and acquiring new contracts that more than doubled their revenue (\$7.1 Million to \$16.8 million) and increased their workforce by 50 percent (70 to 110 employees) from 2010 through 2012.

ACT Aerospace will be adding 300 new jobs to its workforce during the next six years, and expanding their design and manufacturing campus near Fayette, Utah, Dr. Christensen's birthplace, to encompass nearly 180,000 square feet. Additionally, Dr. Christensen expects ACT Aerospace to average 30% annual revenue growth for the next several years.

From humble beginnings in an obscure, small central-Utah town, ACT Aerospace accounted for 80 percent of the entire county's non-farm job growth from June 2011 to June 2012...a remarkable achievement for a visionary small business founder during a time of national economic challenge. For all his company's financial success, Dr. Roland Christensen is most proud of ACT's ability to provide high-paying jobs to his home-town community.

# COUNSELING

Getting Help to Start, Market and Manage Your Business

COUNSELING



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

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

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

You can access SBA information at [www.sba.gov](http://www.sba.gov) or visit one of our local offices for assistance.

## SBA'S RESOURCE PARTNERS

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

Business Development Centers, 110 Women's Business Centers and 350 SCORE chapters. These professionals can help with writing a formal business plan, locating sources of financial assistance, managing and expanding your business, finding opportunities to sell your goods or services to the government, and recovering from disaster. To find your local district office or SBA resource partner, visit [www.sba.gov/tools/local-assistance](http://www.sba.gov/tools/local-assistance).

## SCORE

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

Found in more than 350 offices and 800 locations throughout the country, SCORE provides key services – both face-to-face and online – to busy entrepreneurs who are just getting started or are in need of a seasoned business professional as a sounding board for their existing business. As members of your community, SCORE mentors understand local business licensing rules, economic conditions and important business networks. SCORE can help you as they have done for more than 9 million clients by:

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

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

For around-the-clock business advice and information on the latest business news and trends go to the SCORE website ([www.score.org](http://www.score.org)). More than 1,200 online mentors with over 150 business skill sets answer your questions about starting and running a business. In fiscal year 2012, SCORE mentors served 460,000 entrepreneurs.

For more information on SCORE and to get your own business mentor, visit [www.sba.gov/score](http://www.sba.gov/score), [www.SCORE.org](http://www.SCORE.org) or call 1-800-634-0245 for the SCORE office nearest you.

## ON THE UPSIDE

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

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

**Salt Lake Chapter**

801-746-2269  
www.saltlake.score.org

**Central Utah Chapter**

Calls are being answered by Penny at  
801-373-8660  
www.centralutah.score.org

**Ogden Chapter**

801-629-8613  
www.ogden.score.org

**Southern Utah Chapter**

435-652-7791  
www.southernutah.score.org

**Northern Utah Chapter**

435-760-7937  
www.northernutah.score.org

**SMALL BUSINESS  
DEVELOPMENT CENTERS**

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

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

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

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

- Assisted more than 14,300 entrepreneurs to start new

businesses – equating to nearly 40 new business starts per day.

- Provided counseling services to more than 111,000 emerging entrepreneurs and over 101,000 existing businesses.
- Provided training services to approximately 332,000 clients.

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

For information on the SBDC program, visit [www.sba.gov/sbdc](http://www.sba.gov/sbdc).

**Blanding SBDC**

College of Eastern Utah  
639 W. 100 South  
Blanding, UT 84511  
435-678-8177  
www.sjc.ceu.edu/sbdc



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**Cedar City SBDC**

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Business Resource Center  
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Cedar City, UT 84720  
435-865-7707  
www.suu.edu/business/sbdc

**Ephraim SBDC**

Snow College  
151 S. Main St.  
Ephraim, UT 84627  
435-283-7376  
www.snow.edu/~sbdc

**Snow College –Richfield**

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Ogden, UT 84408  
801-626-7232  
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815 West 1250 S.  
Orem, UT 84058  
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435-613-5435

**St. George SBDC**

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435-652-7741  
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**Sandy SBDC**

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9750 S. 300 West, Miller Campus  
MCPC 200  
Sandy, UT 84070  
801-957-5441  
www.slcc.edu/slsbdc

**Vernal SBDC**

320 N. Aggie Blvd.  
Vernal, UT 84078  
435-789-6100

**WOMEN'S BUSINESS CENTERS**

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

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

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

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

the services led to an increased profit margin, and 47 percent indicated that the services led to an increase in sales.

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

To find the nearest SBA WBC, visit [www.sba.gov/women](http://www.sba.gov/women) or contact Ann Marie Thompson at 801-328-5052 or [athompson@slchamber.com](mailto:athompson@slchamber.com) or [www.slchamber.com](http://www.slchamber.com).

**EMERGING LEADERS INITIATIVE**

The SBA's Emerging Leaders Initiative is currently hosted in 27 markets across the country using a nationally demonstrated curriculum that supports the growth and development of small firms that have substantial potential for expansion and community impact. A competitive selection process results in company executives participating in high-level training and peer-networking sessions led by professional instructors.

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

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

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

## SBA'S ONLINE TOOLS AND TRAINING

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

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

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

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

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

Visit [www.sba.gov/training](http://www.sba.gov/training) for these free resources.

## SBA'S CLUSTER INITIATIVE

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

institutions and customers/buyers in order to bring products to market.

Across the country, our resource partners work with our regional innovation Clusters: The resource partners provide the businesses with information and coaching on the key building blocks of business success, while the Cluster experts help them with the highly technical product development and relationship-building assistance necessary to get and keep customers and investors in their particular market sector (such as

smart-grid, fuel cell energy storage, solar cells, imaging, aerospace, and agricultural processing technologies and networks).

For more information on SBA's Cluster Initiative, go to [www.sba.gov/clusters](http://www.sba.gov/clusters).

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# REACHING UNDERSERVED COMMUNITIES

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

## WOMEN BUSINESS OWNERS

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

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

The SBA's Office of Women's Business Ownership (OWBO) serves as an advocate for women-owned businesses. The office oversees a nationwide network over 100 Women's Business Centers that provide business training, counseling and mentoring geared specifically to women, especially those who are socially and economically disadvantaged. The program is a public-private partnership with locally-based nonprofits.

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

## VETERAN BUSINESS OWNERS

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

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

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

Each of the SBA's 68 District Offices also has a designated veteran's business development officer. These local points-of-contact assist veteran small business owners/entrepreneurs with starting, managing and growing successful small firms. Yearly, OVBD reaches thousands of veterans, Reserve component members, transitioning service members and others who are – or who want to become – entrepreneurs and small business owners. In fiscal year 2012, the number of veterans assisted through OVBD programs exceeded 135,000. For more information about OVBD, please visit [www.sba.gov/vets](http://www.sba.gov/vets).

## NATIONAL BOOTS TO BUSINESS INITIATIVE

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



# REACHING UNDERSERVED COMMUNITIES



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

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

## CENTER FOR FAITH-BASED AND NEIGHBORHOOD PARTNERSHIPS

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

The SBA is committed to reaching out to faith-based and community organizations to enlist their support in informing their congregants, members

and neighbors about SBA's programs. In particular, faith-based and community non-profit organizations can provide a local financing option for entrepreneurs by becoming SBA Microloan Intermediaries. An SBA Microloan Intermediary often acts as a bank for entrepreneurs and small businesses that might otherwise be unable to access capital.

## NATIVE AMERICAN BUSINESS DEVELOPMENT

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

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

Visit [www.sba.gov/naa](http://www.sba.gov/naa) for more information.

## VETERANS BUSINESS OUTREACH CENTERS

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

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

**Ian Lorenzana**

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

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

## IS ENTREPRENEURSHIP FOR YOU?

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

- **Are you a self-starter?** It will be entirely up to you to develop projects, organize your time, and follow through on details.
- **How well do you get along with different personalities?** Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, employees and professionals such as lawyers, accountants, or consultants. Can you deal with a demanding client, an unreliable vendor, or a cranky receptionist if your business interests demand it?
- **How good are you at making decisions?** Small business owners are required to make decisions constantly – often quickly, independently, and under pressure.
- **Do you have the physical and emotional stamina to run a business?** Business ownership can be exciting, but it’s also a lot of work. Can you face six or seven 12-hour workdays every week?
- **How well do you plan and organize?** Research indicates that poor planning is responsible for most business failures. Good organization — of financials, inventory, schedules, and production — can help you avoid many pitfalls.
- **Is your drive strong enough?** Running a business can wear you down emotionally. Some business owners burn out quickly from having to carry all the responsibility for the success of their business on their

own shoulders. Strong motivation will help you survive slowdowns and periods of burnout.

- **How will the business affect your family?** The first few years of business start-up can be hard on family life. It’s important for family members to know what to expect and for you to be able to trust that they will support you during this time. There also may be financial difficulties until the business becomes profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk.

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

## FRANCHISING

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

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

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

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

Visit [www.sba.gov/franchise](http://www.sba.gov/franchise) for more information.

## HOME-BASED BUSINESSES

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

### Getting Started

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

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

#### Ask yourself these questions:

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

### Legal Requirements

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

#### Some general areas include:

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

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

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

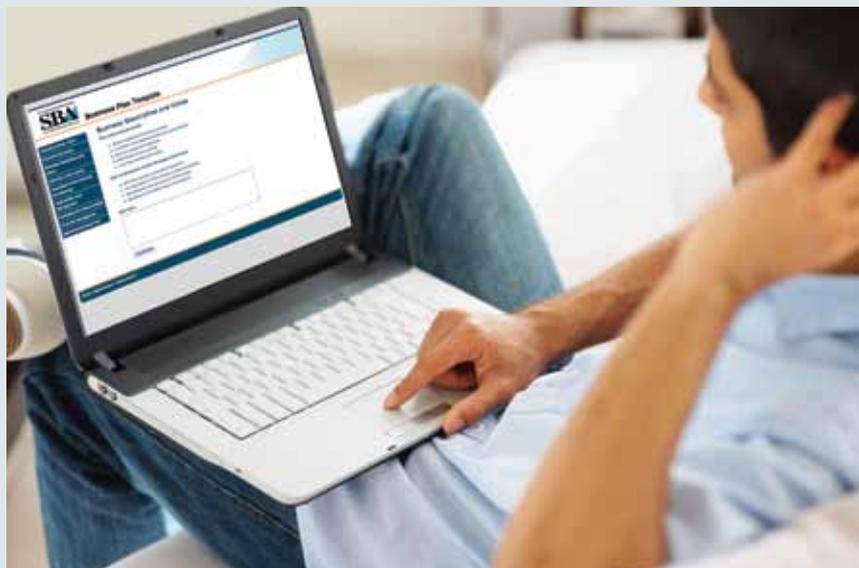
After you've thought about what type of business you want, the next step is to develop a business plan. Think of the business plan as a roadmap with milestones for the business. It begins as a pre-assessment tool to determine profitability and market share, and then expands as an in-business assessment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

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

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

### Introduction

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



### Marketing

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

### Financial Management

- Develop an expected return on investment and monthly cash flow for the first year.

- Provide projected income statements and balance sheets for a two-year period.
- Discuss your break-even point.
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting records and how they will be kept.
- Provide "what if" statements addressing alternative approaches to potential problems.

### Operations

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

### Concluding Statement

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

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



# CAPITAL

## Financing Options to Start or Grow Your Business



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

This section of the Small Business Resource guide discusses SBA's primary business loan and equity financing programs. These are: the 7(a) Loan Program, the Certified Development Company or 504 Loan Program, the Microloan Program and the Small Business Investment Company Program. The distinguishing features for these programs are the total dollar amounts that can be borrowed, the type of lenders who can provide these loans, the uses for the loan proceeds, and the terms placed on the borrower. The SBA does not offer grants to individual business owners to start or grow a business.

### SBA BUSINESS LOANS

If you are contemplating a business loan, familiarize yourself with the SBA's business loan programs to see if they may be a viable option. The SBA has a variety of loan programs which are distinguished by their different uses of the loan proceeds, their dollar amounts, and the requirements placed on the actual lenders. The three principal

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

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

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

### 7(a) LOAN PROGRAM

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

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

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

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

### Percentage of Guaranty and Loan Maximums

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

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

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

### Interest Rates and Fees

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

Loans guaranteed by the SBA are assessed a guaranty fee. This fee is based on the loan's maturity and the dollar amount guaranteed, not the total loan amount. The guaranty fee is initially paid by the lender and then passed on to the borrower at closing. The funds to reimburse the lender can be included in the overall loan proceeds.

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

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

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

### 7(a) Loan Maturities

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

### Structure

Most 7(a) term loans are repaid with monthly payments of principal and interest. For fixed-rate loans the payments stay the same because the interest rate is constant, whereas for variable rate loans the lender can require a different payment amount when the interest rates change applicants can request that the lender

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Let's turn the answers on.

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Pictured from left: Dave Spalding, customer and community manager, Rocky Mountain Power; Stephen Keyser, president, Utah Paperbox and Paul Keyser, board chair, Utah Paperbox

establish the loan with interest-only payments during the start-up and expansion phases (when eligible) to allow the business time to generate income before it starts making full loan payments. Balloon payments or call provisions are not allowed on any 7(a) loan. The lender may not charge a prepayment penalty if the loan is paid off before maturity but the SBA will charge the borrower a prepayment fee

if the loan has a maturity of 15 or more years and is pre-paid during the first three years.

### Collateral

The SBA expects every 7(a) loan to be fully secured, but the SBA will not decline a request to guaranty a loan if the only unfavorable factor is insufficient collateral, provided all available collateral is offered. What

these two policies mean is that every SBA loan is to be secured by all available assets (both business and personal) until the recovery value equals the loan amount or until all assets have been pledged to the extent that they are reasonably available. Personal guaranties are required from all the principal owners of the business. Liens on personal assets of the principals may be required.

## What to Take to the Lender

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

### Common requirements include the following:

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

### How the 7(a) Program Works

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

There are several ways a lender can apply for a 7(a) guaranty from the SBA. The main differences between these methods are related

to the experience the lender has in requesting guarantees from SBA, the documentation the lender provides to SBA, the amount of review the SBA conducts upon receiving the request, the amount of the loan and the lender responsibilities in case the loan defaults and the business' assets must be liquidated. The different methods are:

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

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

When the SBA receives a request for guaranty using Standard or Certified procedures, it either reanalyzes or reviews the lender's eligibility and credit analysis before deciding to approve or reject the request. For requests processed through the Preferred Lender Program or Express

programs, the lender is delegated the authority to make the credit decision without the SBA's concurrences. Requests processed through Advantage procedures are a hybrid of both.

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

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

### What the SBA Looks for:

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

## Eligibility

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

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

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

There is an alternate size standard for businesses that do not qualify under their industry size standards for SBA funding – tangible net worth (\$15 million or less) and average net income (\$5 million or less for two years). This

new alternate makes more businesses eligible for SBA loans and applies to SBA non-disaster loan programs, namely its 7(a) Business Loans and Development Company programs.

### Nature of Business

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

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

### Use of Proceeds

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

### Proceeds can also be used to:

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

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



An SBA loan could be the first chapter in your success story.

Your business may be small, but your goals are big. An SBA loan from KeyBank can help you with financing for a new location, new equipment, more inventory, or even an acquisition. We are proud to have been named the 2012 SBA 7(a) Large Lender of the Year, and we've lent more than \$8 billion to community businesses since September 2011. That's a lot of local success stories. Let's start writing yours.

To connect with a Key SBA loan specialist, stop by a local KeyBank branch or visit [key.com/sba](http://key.com/sba).

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Pictured: Costas Mavromichalis, owner, Constantino's Market, and his daughter, Anna Mavromichalis, general manager. SBA Preferred Lender. All credit products are subject to credit approval. Banking products and services are offered by KeyBank N.A. Equal Housing Lender. ©2013 KeyCorp. KeyBank is Member FDIC.

### Miscellaneous Factors

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

Generally, SBA loans must meet the following criteria:

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

For more information, go to

[www.sba.gov/apply](http://www.sba.gov/apply).

### SPECIAL PURPOSE 7(a) LOAN PROGRAMS

The 7(a) program is the most flexible of the SBA's lending programs. Over time, the agency has developed several variations to the basic 7(a) program in order to address specific financing needs

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

#### International Trade Loan Program

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

#### Use of Proceeds

- For the facilities and equipment portion of the loan, proceeds may be used to acquire, construct, renovate, modernize, improve or expand facilities or equipment in the U.S. to produce goods or services involved in international trade,

including expansion due to bringing production back from overseas if the borrower exports to at least one market.

- Working capital is an allowable use of proceeds under the ITL.
- Proceeds may be used for the refinancing of debt not structured on reasonable terms and conditions, including any debt that qualifies for refinancing under the standard SBA 7(a) Loan Program.

#### Loan Term

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

#### Interest Rates

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

#### Exporter Eligibility

- Applicants must meet the same eligibility requirements as for the SBA's standard 7(a) Loan Program.

### SUCCESS STORY

## Global Consulting International

Sandeep Sharma fondly reminisces about starting Global Consulting International and having to use plastic molded patio furniture for tables and chairs during the company's infancy. Since those early days in 2005, the company has seen steady growth, with total sales of around \$12 million in 2012, a three-fold increase since 2007. Such a sizable growth curve during a time of national economic recession and stagnation is a testament to Sharma's business strategy and execution skills as company owner.

Having made the decision to transition the bulk of the company's future growth into the government sector in 2007, GCI was accepted into SBA's 8(a) Business Development Program

in September 2007. Through a concerted effort to focus on government contracting opportunities, from 2008 through 2012 GCI expanded its product portfolio beyond the original core of IT Consulting Services to now include services in Military Healthcare, Logistics, Engineering and Intelligence.

Using a dual strategy of hiring seasoned, retired government personnel with program management and contracting skills, combined with creating a family-like culture within GCI has enabled Mr. Sharma to create a productive and successful formula for superior performance. The company has consistently received exceptional contract performance ratings from

procuring agencies and several agencies have inquired about GCI expanding their services.

Employing over 120 staff, including minorities and service-disabled veterans, and being involved in several charitable causes in the Greater Salt Lake City area shows Sharma and GCI take their commitment to community seriously.



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

### Foreign Buyer Eligibility

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

### Collateral Requirements

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

### How to Apply

- A small business seeking an ITL must apply to an SBA-participating lender. The lender will submit a completed Application for Business Loan (SBA Form 4), including all exhibits, to the SBA. Visit [www.sba.gov](http://www.sba.gov) to find your local SBA district office for a list of participating lenders.

- A small business wanting to qualify as adversely impacted from import competition must submit supporting documentation that explains the impact, and a plan with projections that explains how the loan will improve the business’ competitive position.
- A small business expanding exports would need a business plan and export sales projections showing increased export sales and/or global competitiveness as a result of the ITL financing.

### Guaranty Coverage

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



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## Export Working Capital Program

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

### Benefits of the EWCP

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

### Use of Proceeds

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

### Interest Rates

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

### Advance Rates

- Up to 90 percent on purchase orders.
- Up to 90 percent on documentary letters of credit.

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

### Collateral Requirements

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

### How to apply

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

## SUCCESS STORY

## Passionate About Powder

When the founders of DPS Skis started thinking about what it was going to take to have the company's innovative carbon fiber skis be as successful as they planned, they probably didn't fully understand what they would be facing.

As the only manufacturer of pure carbon fiber sandwich construction skis in the world, DPS and its founder Stephan Drake have had to constantly forge new ground over the past several years in their quest for perfection. "No one in the US had any experience with making 100 percent carbon fiber sandwich construction skis," explains Tyson Titensor, DPS Director of Operations. "So we went to China and started from scratch, showing them what we wanted and helping them design the tooling. It was time consuming and intensive, but we made it work."

The company had potential angel investors, but they wanted to see finished product and at least some modest sales before investing.

The equity investment the angels eventually made enabled the company to develop DPS's distribution channels and secure needed working capital for growth.

Sensing they had achieved some sales traction with their burgeoning distribution and sales network encompassing 10 European countries, the company elected to bring manufacturing back to the US in 2012, and started a facility in Ogden under the direction of Peter Turner, DPS Director of Engineering. Relocating production from China to Ogden was where Zions Bank came through for DPS, with an SBA Export-Express loan. "The financing process was tough, but fair," recalls Titensor. "The SBA guaranteed loan option was a perfect fit for what we needed at the time to get us to the next stage of our development as a company. The company is now planning a new facility and corporate headquarters in the Salt Lake City area in the coming months.

With 2013/14 pre-season sales 60-70

percent above that of 2012/13, and annual growth rates projected to be over 50 percent in 2014 and beyond, the future appears bright. "We've only scratched the surface thus far. We'll double our workforce and our manufacturing output by this time next year," Titensor adds. The company will also pursue a second round of equity funding to propel further growth.

Tyson Titensor sums it all up. "We're inspired by a vision to make perfect skis worthy of those who live and breathe the sport of skiing. That's what drives us every day, it's the guiding vision of our founder Stephan Drake."

As more skiers discover what DPS offers, their own expectations may indeed match what Drake and Turner had in mind all along...perfection on powder.



### Guaranty Coverage

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

### U.S. Export Assistance Center

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

#### International Trade Programs

U.S. Export Assistance Center  
1625 Broadway Ave., Ste. 680  
Denver, CO 80202  
303-844-6623 • 303-844-5651 Fax

### CAPLines

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

- **The Contract Loan Program** is used to finance the cost associated with contracts, subcontracts, or purchase orders. Proceeds can be disbursed before the work begins. If used for one contract or subcontract, it is generally not revolving; if used for more than one contract or subcontract at a time, it can be

revolving. The loan maturity is usually based on the length of the contract, but no more than 10 years. Contract payments are generally sent directly to the lender but alternative structures are available.

- **The Seasonal Line of Credit Program** is used to support buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory. The business must have been in business for a period of 12 months and must have a definite established seasonal pattern. The

loan may be used over again after a “clean-up” period of 30 days to finance activity for a new season. These loans also may have a maturity of up to five years. The business may not have another seasonal line of credit outstanding but may have other lines for non-seasonal working capital needs.

- **The Builders Line Program** provides financing for small contractors or developers to construct or rehabilitate residential or commercial property. Loan maturity is generally three years

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Export Express loans streamline the process to obtain SBA-backed financing for loans up to \$500,000. This method allows us to use our own credit decision process and accelerates SBA approval.



but can be extended up to five years, if necessary, to facilitate sale of the property. Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. The purchase of the land can be included if it does not exceed 20 percent of the loan proceeds. Up to 5 percent of the proceeds can be used for physical improvements that benefit the property.

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

### Other Guaranty Lines of Credit

All the Special Purpose Programs listed above have SBA structured repayment terms meaning the agency tells the lender how principal and interest is to be repaid. These programs also require the lender to use certain closing forms. Lenders with the ability

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

## 7(a) LOAN PROCESSES FOR LENDERS

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

in dealing with SBA, the complexity of the case, the purpose of the loan, and the dollar amount being requested.

### Standard 7(a) Loan Processing

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

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

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

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

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

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

### SBAExpress

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

equipment. Revolving lines of credit are allowed for a maximum of seven years.

### Patriot Express and Other Lending Programs For Veterans

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

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

The Patriot Express loan is offered by the SBA's nationwide network of private lenders and features the fastest turnaround time for loan approvals. Loans are available up to \$500,000 and qualify for SBA's maximum guaranty

of 85 percent for loans of \$150,000 or less and 75 percent for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to either obtain all collateral or enough collateral so the value is equal to the loan amount.

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

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

Self-employed Reserve or Guard members with an existing SBA loan can request from their SBA lender or SBA district office, loan payment deferrals, interest rate reductions and other relief after they receive activation orders. The SBA also offers special low-interest-rate

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financing of up to \$2 million when an owner or essential employee is called to active duty through the Military Reservist Economic Injury Disaster Loan program (MREIDL) to help cover operating costs due to the loss of an essential employee called to active duty.

**Export Express**

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

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

**Use of Proceeds**

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

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

**Ineligible Use of Proceeds**

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

**Exporter Eligibility**

Any business that has been in operation, although not necessarily in exporting, for at least 12 full months and can demonstrate that the loan proceeds will support its export activity is eligible for Export Express. The one year in business requirement can be waived if the applicant has demonstrated previous business success

and has exporting expertise on its management staff and if the lender does conventional underwriting and does not rely solely on credit scoring.

**Foreign Buyer Eligibility**

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

**How to Apply**

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

**Guaranty Coverage**

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

**Community Advantage Loans**

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

**CERTIFIED DEVELOPMENT COMPANY LOAN PROGRAM (504 LOANS)**

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

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

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

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

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

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

Recent additions to the program allow \$5.5 million for each project that reduces the borrower's energy consumption by at least 10 percent; and \$5.5 million for each project that generates renewable energy fuels, such as biodiesel or ethanol production.



Projects eligible for up to \$5.5 million under one of these two requirements do not have to meet the job creation or retention requirement, so long as the CDC portfolio average is at least \$65,000.

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

**Businesses that receive 504 loans are:**

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

For information, visit [www.sba.gov/504](http://www.sba.gov/504).

**Mountain West Small Business Finance**  
www.mwsbf.com

**Salt Lake City**  
2595 E. 3300 South  
Salt Lake City, UT 84109  
801-474-3232

**Orem**  
741 N. 530 E.  
Orem, UT 84097  
801-221-7772

**Logan**  
100 N. 25 W., Ste. 204  
Logan, UT 84321  
435-787-4242

**St. George**  
107 S. 1470 E., #301  
St. George, UT 84790  
435-652-3761

**Utah Certified Development Company**  
www.utahcdc.com

**Ogden**  
5333 S. Adams Ave., Ste. B  
Ogden, UT 84405  
801-627-1333

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

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

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made directly from the small business to the intermediary.

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

Entrepreneurs and small business owners interested in small amounts of business financing should contact the nearest SBA district office for information about the nearest Microloan Program Intermediary Lender or go to [www.sba.gov/microloans](http://www.sba.gov/microloans) or call 801-524-3209.

## SURETY BOND GUARANTEE PROGRAM

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

track record necessary to secure bonding on a reasonable basis through regular commercial channels.

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

SBA has two program components, the Prior Approval Program and the Preferred Surety Bond Program. In the Prior Approval Program, the SBA guarantees 90 percent of surety's paid losses and expenses on bonded contracts up to \$100,000, and on bonded contracts greater than \$100,000 that are awarded to socially and economically disadvantaged concerns, HUBZone contractors, and veterans, and service-disabled veteran-owned small businesses. All other bonds guaranteed in the Prior Approval Program receive an 80 percent guarantee. Sureties must obtain the SBA's prior approval for each bond guarantee issued. Under the Preferred Program, the SBA guarantees 70 percent, and sureties may issue, monitor and service bonds without the SBA's prior approval.

### Approved Agents for Utah:

#### American Contracting Services, Inc.

5933 Glenway Ave.  
Cincinnati, OH 45238  
513-793-5333 • 513-793-8498 Fax  
[tbalzano@acsbonds.com](mailto:tbalzano@acsbonds.com)

#### Beehive Insurance Agency, Inc.

302 W. 5400 S., Ste. 101  
Murray, UT 84107  
801-685-6860 • 801-685-2899 Fax  
[dsnow@beehiveinsurance.com](mailto:dsnow@beehiveinsurance.com)

#### CB Insurance, LLC

1 S. Nevada Ave., Ste. 105  
Colorado Springs, CO 80903  
719-477-4278 • 719-228-1071 Fax  
[jason.yezek@centralbancorp.com](mailto:jason.yezek@centralbancorp.com)

#### CCI Surety, Inc.

1710 N. Douglas Dr., Ste. 110  
Golden Valley, MN 55422  
763-543-6993 • 763-546-1822 Fax  
[www.ccisurety.com](http://www.ccisurety.com)

#### Central Bonds & Insurance Agency, Inc.

411 W. 7200 S., #102  
Midvale, UT 84047  
801-566-7272 • 801-566-7274 Fax  
[dave@centralbonds.com](mailto:dave@centralbonds.com)

#### Certified Insurance Services

239 S. Main, #300  
Cedar City, UT 84720  
435-586-2211  
[brada@certifiedinsurance.net](mailto:brada@certifiedinsurance.net)  
[www.certifiedinsurance.net](http://www.certifiedinsurance.net)

#### Cobb, Strecker, Dunphy and Zimmerman, Inc.

5 Triad Center, Ste. 340  
Salt Lake City, UT 84180  
801-537-7467  
[gdotson@csdz.com](mailto:gdotson@csdz.com)

#### Dean Insurance Agency

520 E. 770 North  
Orem, UT 84097  
801-763-1313  
[wdean@deanins.net](mailto:wdean@deanins.net)

#### Fred A. Moreton & Company dba Moreton & Company

709 E. South Temple  
Salt Lake City, UT 84109  
801-531-1234  
[walter@moreton.com](mailto:walter@moreton.com)  
[www.moreton.com](http://www.moreton.com)

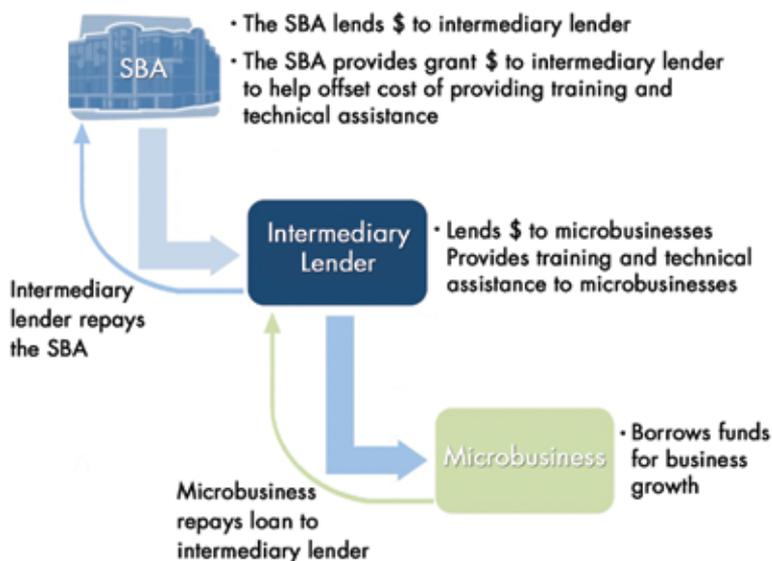
#### InfiniTeam Insurance, Inc.

39 West 9000 S.  
Sandy, UT 84070  
801-619-6288 • 801-619-6293 Fax  
[info@infini-team.com](mailto:info@infini-team.com)  
[www.infini-team.com](http://www.infini-team.com)

#### Insurance Design & Placement, Inc.

3401 Quebec St., Ste. 8200  
Denver, CO 80207  
303-607-9009  
[idppres@insurancedp.net](mailto:idppres@insurancedp.net)

## How the Microloan Program Works



### Integrated Insurance Solutions, Inc.

3191 S. Valley St., Ste. 206  
Salt Lake City, UT 84109  
801-487-3000  
teri@integratedslc.com

### Integrity Surety, LLC

17544 Midvale Ave. H, Ste., 300  
Seattle, WA 98133  
206-546-1397  
karaoskinner@yahoo.com

### Jane Bond Insurance Agency

516 W. Second St.  
Antioch, CA 94509  
877-426-6396 or 925-303-2757  
925-777-9974 Fax

### KPS Insurance Services, Inc.

10650 Treena St., Ste. 109  
San Diego, CA 92131  
858-538-8822 • 858-346-9298 Fax  
mstrahan@kpsbond.com

### Leavitt Group of Spanish Fork, UT

199 N. Main/PO. Box 421  
Spanish Fork, UT 84660  
801- 798-7343 • 866-505-4233 Fax

### National Surety Services, Inc.

1534 Dunwoody Village Pkwy., Ste. 220  
Atlanta, GA 30338  
770-394-9444 • 714-394-6888 Fax

### Pinnacle Surety & Insurance Services, Inc.

151 Kalmus Dr., Ste. A-201  
Costa Mesa, CA 92626  
714-546-5100 • 714-546-3707 Fax

### The Buckner Company

6550 S. Millrock Dr., Ste. 300  
Salt Lake City, UT 84121  
801-937-6700  
remery@buckner.com  
www.buckner.com

### The Guarantee Company of North America USA

11075 S. State St., Ste. 9-A  
Salt Lake City, UT 84070  
801-999-4178  
tdeluca@gcna.com

### The Presidio Group

5295 South 300 W., Ste. 550  
Salt Lake City, UT 84157  
801-924-1400  
mwade@presidio-group.com

### The Surety Group Agency, LLC

1900 Emery St., Ste. 120  
Atlanta, GA 30318  
404-352-8211 • 404-352-3237 Fax

### Thomas Sauer Bond Agency

5619 S. Curtis St.  
Littleton, CO 80120  
866-288-3856 • 303-738-9184 Fax  
tom@tsballc.com

### Viking Bond Service, Inc.

22601 N. 19th Ave., Ste. 210  
Phoenix, AZ 85027  
623-933-8334 ext. 2982  
cynthiab@vbsbond.com

### Wells Fargo Insurance Services USA, Inc.

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

For additional surety agents located outside of Utah, but licensed to do business in Utah please go to: [www.sba.gov/content/bonding-agencies-state](http://www.sba.gov/content/bonding-agencies-state).

## SMALL BUSINESS INVESTMENT COMPANY PROGRAM

The Small Business Investment Company (SBIC) program fills the gap between what owners can fund directly and the needs of the small business for growth capital. Licensed and regulated by the SBA, SBICs are privately owned and managed investment funds that make capital available to qualifying U.S. small businesses. The funds raise

private capital and can receive SBA-guaranteed leverage up to three times private capital, with a leverage ceiling of \$150 million per SBIC and \$225 million for two or more licenses under common control. Licensed SBICs are for-profit investment firms whose incentive is to share in the success of a small business. The SBIC program provides funding for a broad range of industries. Some SBICs invest in a particular field or industry while others invest more generally. For more information, visit [www.sba.gov/inv](http://www.sba.gov/inv).

### EPIC Ventures

15 W. South Temple, Ste. 500  
Salt Lake City, UT 84133  
801-524-8939 • 801-524-8941 Fax  
Contact: Kent Madsen  
kmadsen@epicvc.com

### Peterson Partners III, L.P.

2825 E. Cottonwood Pkwy., Ste. 400  
Salt Lake City, UT 84121  
801-365-0180 • 801-365-0181 Fax  
Contact: Daniel Peterson  
www.petersonpartnerslp.com

**MONEY**  
for your small business  
**SBA 504**

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Or you're ready to expand your operations?  
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- Below-market, fixed interest rate
- Low down payment, often only 10%

**UTAH CDC**  
Utah Certified Development Company

5333 South Adams Ave • Suite B • Ogden, UT 84405 • (801) 627-1333  
Serving Utah for over 30 years! • [www.UtahCDC.com](http://www.UtahCDC.com) • [info@utahcdc.com](mailto:info@utahcdc.com)

**UTFC Financing Solutions, LLC**

515 South 700 E., Ste. 2A  
Salt Lake City, UT 84102  
801-741-4215 • 801-741-4249 Fax  
Contact: Steve Grizzell  
steve@innoventures.com  
www.innoventures.com

**UTFC Fund II, LLC**

515 South 700 E., Ste. 2A  
Salt Lake City, UT 84102  
801-741-4200 • 801-741-4249 Fax  
Contact: Scott Stenberg  
scott@utfc.com

**Utah Ventures III, L.P.**

2755 E. Cottonwood Pkwy., Ste. 520  
Salt Lake City, UT 84121  
801-365-0262 • 801-365-0233 Fax  
Contact: James C. Dreyfous  
jmckay@uven.com  
www.uvpartners.com

**UV Partners IV Financial Institution Fund**

2755 E. Cottonwood Pkwy., Ste. 520  
Salt Lake City, UT 84121  
801-365-0262 • 801-365-0233 Fax  
Contact: James C. Dreyfous  
jdreyfous@uven.com

**vSpring SBIC, L.P.**

2795 E. Cottonwood Pkwy., Ste. 360  
Salt Lake City, UT 84121  
801-942-8999 • 801-942-1636 Fax  
Contact: Dinesh Patel  
David@vspring.com  
www.vspring.com

**vSpring III D, L.P.**

2795 E. Cottonwood Pkwy., Ste. 360  
Salt Lake City, UT 84121  
801-942-8999 • 801-942-1636 Fax  
Contact: David Anderson  
david@vspring.com

**Wasatch Venture Corporation**

15 W. South Temple, Ste. 500  
Salt Lake City, UT 84133  
801-524-8939 • 801-524-8941 Fax  
Contact: Kent Madsen  
kmadsen@epicvc.com

**Wasatch Venture Fund II, LLC**

15 W. South Temple, Ste. 500  
Salt Lake City, UT 84133  
801-524-8939 • 801-524-8941 Fax  
Contact: Kent Madsen  
kmadsen@epicvc.com

**Wasatch Venture Fund III, LLC**

15 W. South Temple, Ste. 500  
Salt Lake City, UT 84133  
801-524-8939 • 801-524-8941 Fax  
Contact: Kent Madsen  
kmadsen@epicvc.com

**Zions SBIC, LLC**

15 W. South Temple, Ste. 500  
Salt Lake City, UT 84133  
801-524-8939 • 801-524-8941 Fax  
Contact: Kent Madsen  
kmadsen@epicvc.com

**SBA LOANS BY LENDER - UTAH DISTRICT OFFICE****Fiscal Year 2013 Totals****7(a) Loan Guaranty Program**

Lender	# Loans	Amount
1ST NATL BK OF LAYTON	1	\$ 108,800
AMER BK OF COMM. D/B/A AMBANK	12	\$ 11,572,300
AMER UNITED FAMILY OF C. U. S	2	\$ 4,465,700
AMERICA FIRST FCU	34	\$ 1,390,000
AMERICANWEST BANK	8	\$ 2,948,000
BANCFIRST	1	\$ 450,000
BANK OF AMERICAN FORK	20	\$ 6,590,200
BANK OF THE WEST	3	\$ 2,283,800
BRIGHTON BANK	8	\$ 1,375,000
CACHE VALLEY BANK	8	\$ 900,500
CELTIC BANK CORPORATION	45	\$ 20,837,900
CENTRAL BANK	32	\$ 3,953,900
CHARTWAY FCU	5	\$ 2,083,600
CYPRUS FCU	7	\$ 540,000
FIRST UTAH BANK	28	\$ 11,176,600
GLACIER BANK	1	\$ 305,300
GOLDENWEST FCU	10	\$ 1,193,900
GRAND VALLEY BANK	2	\$ 99,100
HOLLADAY BANK & TRUST	3	\$ 745,000
JORDAN FCU	12	\$ 656,000
JPMORGAN CHASE BANK NATL ASSOC	84	\$ 23,314,100
KEYBANK NATIONAL ASSOCIATION	20	\$ 1,450,300
LIBERTY BANK, INC.	3	\$ 490,000
LIVE OAK BANKING COMPANY	2	\$ 803,000
MEADOWS BANK	12	\$ 7,971,700
MOUNTAIN AMERICA FCU	91	\$ 24,772,900
MOUNTAIN W. SMALL BUS. FINAN	157	\$ 84,049,500
NATIONAL BANK OF ARIZONA	1	\$ 1,896,000
PACIFIC ENTERPRISE BANK	1	\$ 2,025,000
PACIFIC PREMIER BANK	1	\$ 403,000
PRIME ALLIANCE BANK	1	\$ 2,480,000
PROFICIO BANK	9	\$ 9,232,500
ROCK CANYON BANK	10	\$ 19,464,300
SAFE CU	1	\$ 100,000
SEACOAST COMMERCE BANK	11	\$ 7,668,800
SECURITY SERVICE FCU	3	\$ 2,410,000
SPIRIT OF TEXAS BANK, SSB	2	\$ 202,000
STATE BANK OF SOUTHERN UTAH	38	\$ 5,461,200
SUPERIOR FINANCIAL GROUP, LLC	2	\$ 22,500
TITAN BANK NATL ASSOC	1	\$ 1,580,000
TOWN & COUNTRY BANK	3	\$ 1,694,300
U.S. BANK NATIONAL ASSOCIATION	51	\$ 13,043,100
UNIVERSITY FIRST FCU	36	\$ 8,241,200
UTAH CERT. DEVEL CO	55	\$ 39,322,000
UTAH FIRST FCU	3	\$ 944,600
WASATCH PEAKS FCU	2	\$ 173,300
WELLS FARGO BANK NATL ASSOC	82	\$ 29,139,300
WEST TOWN SAVINGS BANK	1	\$ 350,000
ZIONS FIRST NATIONAL BANK	372	\$ 45,392,000

**Grand Total****1,297****\$ 407,772,200**

## SMALL BUSINESS INNOVATION RESEARCH PROGRAM

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

### SBIR Requirements

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

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

For more information on the SBIR program visit [www.sba.gov/sbir](http://www.sba.gov/sbir).

### Participating Agencies

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

## SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

The Small Business Technology Transfer (STTR) program reserves a specific percentage of federal R&D funding for award to small business and non-profit research institution partners. Central to the program is expansion

of public/private sector partnerships to include joint venture opportunities for small business and the nation's premier nonprofit research institutions. Small business has long been where innovation and innovators thrive, but the risk and expense of conducting serious R&D efforts can be beyond the means of many small businesses. Non-profit research laboratories are also instrumental in developing high-tech innovations, but frequently innovation is confined to the theoretical. STTR combines the strengths of both entities by introducing entrepreneurial skills to high-tech research efforts. The technologies and products are transferred from the laboratory to the marketplace. The small business profits from the commercialization, which, in turn, stimulates the U.S. economy.

### STTR Requirements

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

- Be 51 percent owned and controlled by one or more individuals who are U.S. citizens or permanent resident aliens in the U.S.

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

### Participating Agencies

Each year the following five Federal departments and agencies are required by STTR to reserve 0.3 percent of their extramural R&D funds for award to small businesses through the SBIR program: Dept. of Defense; Dept. of Energy; Dept. of Health and Human Services; National Aeronautics and Space Administration; and the National Science Foundation.



**UTAH Microenterprise LOAN FUND**

## She started with a dream and a recipe. Now, she is rolling in the dough.

The Utah Microenterprise Loan Fund (UMLF) makes loans of up to \$25,000 to start-up and existing entrepreneurs who do not have the money, collateral or credit history to qualify for a traditional loan. Over the past 19 years, we have helped start and/or grow over 775 businesses and disbursed over \$10 million.

For more information visit: [www.umlf.com](http://www.umlf.com)

Deborah Hammond, Cheese Bread Mania

**BUILDING BRIGHTER FUTURES THROUGH SMALL BUSINESS**

[www.umlf.com](http://www.umlf.com)

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

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

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

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

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

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

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

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

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



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

#### **2. Build a Business Plan Tool**

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

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

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

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

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

#### **4. Events Calendar - Locate Business Training and Seminars**

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



## Use of Proceeds in SBA Loan Programs

*Ways Borrowers Can Use The Money*

(Information current as of 11/01/2013)

Program	Who Qualifies	Use of Proceeds	Maturity	Maximum Loan Amount	Structure	Benefit to Borrower
<b>Basic 7(a)</b>	For-profit businesses that can meet SBA's size standards, nature of business, use of proceeds, credit elsewhere, and other miscellaneous eligibility factors.	Acquire land; purchase existing building; convert, expand or renovate buildings; construct new buildings; acquire and install fixed assets; acquire inventory; purchase supplies and raw materials; purchase a business, start a business, leasehold improvements, term working capital; and under certain conditions to refinance certain outstanding debts.	Based on the use of proceeds and borrower's ability to repay. Not based on collateral. Maximum maturity: 10 years for working capital (seven years is common), 10 years for fixed assets, 25 years for real estate.	A basic 7(a) can be for as much as \$5 million. SBA's limit to any one business is \$3.75 million so a business can have multiple loans guaranteed by SBA but the SBA portion cannot exceed \$3.75 million.	Term loans with one monthly payment of principal and interest (P&I). Borrower contribution required. Interest rate depends upon how lender applies for guaranty (see lender program chart), Cannot revolve, no balloon or call provisions.	Obtains financing not otherwise available, fixed maturity, available when collateral is limited. Can establish or re-affirm relationship with lender.
<b>International Trade Loan (ITL)</b>	Same as basic 7(a). Plus, business must be engaged or preparing to engage in exporting or be adversely affected by competition from imports.	Acquire, renovate, modernize facilities or equipment used in making products or services to be exported. Plus, for permanent working capital and to refinance business debts currently on unreasonable terms.	Same as basic 7(a).	Same as basic 7(a), but when borrower has both international trade and working capital loans, guaranteed by the SBA, the limit to any one business can be \$4 million.	Same as basic 7(a).	Same as basic 7(a). Plus, long-term financing for export related fixed assets and working capital.
<b>Export Working Capital Loans (EWCP)</b>	Same as basic 7(a). Plus, must be in business one year and engaged or preparing to engage in exporting.	Short-term working capital for export purposes, including ability to support an Export Stand-By Letter of Credit.	Can be up to a maximum of 36 months but generally 12 months or less.	Same as basic 7(a).	Finance single or multiple transactions. Interest paid monthly, principal paid as payments from items shipped overseas are collected. Can be renewed annually. Extra fees apply. Percentage of guaranty up to 90%. Generally revolving.	Provides American exporters with line of credit that can be separated from domestic operations line of credit.
<b>Seasonal CAPLines</b>	Same as basic 7(a). Plus, in business for at least one year and can demonstrate seasonal financing needs.	To finance the seasonal increases of accounts receivable, inventory and labor.	10 years	Same as basic 7(a).	Short-term financing for seasonal activities to be repaid at the end of the season when payment for the seasonal activity is made to business.	Provides opportunity for seasonal businesses to get seasonal financing not otherwise available.
<b>Contract CAPLines</b>	Same as basic 7(a). Plus, will perform on contract or purchase order for some third party buyer.	To finance the cost of one or more specific contract, sub-contract, or purchase order, including overhead or general and administrative expenses, allocable to the specific contract(s).	10 years	Same as basic 7(a).	Short-term financing for performance of approved contract, sub-contract, or purchase order to be repaid when payment for the activity is made to business. Can be revolving or not.	Provides opportunity for contractors and sub-contractors to get financing not otherwise available.

CAPITAL

Program	Who Qualifies	Use of Proceeds	Maturity	Maximum Loan Amount	Structure	Benefit to Borrower
<b>Builders CAPLines</b>	Same as basic 7(a). Plus, building/renovating residential or commercial structure for re-sale without knowing buyer at time of approval.	For the direct expenses related to the construction and/or "substantial" renovation costs of specific residential or commercial buildings for resale, including labor, supplies, materials, equipment rental, direct fees. The cost of land is potentially eligible.	Maximum of three years to disburse and build or renovate. Extension possible to accommodate sale.	Same as basic 7(a).	Short-term financing to build or renovate home or building for sale to unknown third party. "Substantial" means rehabilitation expenses of more than one-third of the purchase price or fair market value at the time of application. Can be revolving or not.	Provides opportunity for residential and commercial builders to get financing not otherwise available.
<b>Working Capital CAPLines</b>	Same as basic 7(a). Plus, business needing short term revolving line of credit.	For short-term working capital and operating needs. Proceeds must not be used to pay delinquent withholding taxes or similar trust funds (state sales taxes, etc.) or for floor planning.	10 years	Same as basic 7(a).	Lender has latitude with structuring principal payments. Borrower should discuss with lender. Must be revolving. Extra fees apply.	Provides opportunity for businesses that sell on credit to get revolving financing not otherwise available.
<b>Lender Structured Line of Credit</b>	Businesses needing a line of credit.	Working capital	If revolving, seven-year maximum, including term out period.	Depends upon how the lender chooses to apply for an SBA Guaranty. Generally up to \$350,000.	Structure is established by individual lender.	Has availability for a line of credit to help with the short-term cash needs of the business.
<b>Non-7(a) Programs</b>						
<b>504 Loan Program</b>	Businesses that can meet the SBA's size standards, nature of business, use of proceeds, credit elsewhere, and other miscellaneous factors.	For the acquisition of long-term fixed assets, equipment with a useful life of at least 10 years; refinance loan-term fixed asset debt under certain conditions; working capital under certain conditions; to reduce energy consumption; and to upgrade renewable energy sources.	Based on the use of proceeds. Twenty years for real estate. Ten years for machinery and equipment.	Based on the use of proceeds. Twenty years for real estate. Ten years for machinery and equipment.	Loans packaged by Certified Development Companies (CDC) and designed to finance up to 40 percent of a "project" <sup>1</sup> secured with a 2nd position lien. Another loan from a third party lender financing up to 50 percent of the same project secured in 1st position, and borrower contribution of at least 10 percent. Extra contributions for special purpose properties and new businesses.	Fees under 3 percent, long-term fixed rate, low borrower contribution, full amortization with no call or balloon conditions.
<b>Microloan Program</b>	Similar to basic 7(a). Plus, start-up nonprofit child-care businesses.	Similar to basic 7(a). Plus, funds to establish nonprofit child-care centers.	Shortest term possible, not to exceed six years.	\$50,000 to the small business at any given time.	The SBA provides a loan to a nonprofit micro-lender called an "intermediary" who uses the proceeds to make microloans to small businesses. Technical assistance can also be provided.	Direct loan from nonprofit intermediary lender, fixed-rate financing, can be very small loan amounts, and technical assistance is available.

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

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

## Lender's Program Chart

Ways Lenders Can Request Guarantees

(Information current as of 11/01/2013)

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

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

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

\* London InterBank Offered Rate

# Leveling the Playing Field

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

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

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

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

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

Last but certainly not least, the SBA has an extensive portfolio of programs and services designed specifically to meet the needs of minority small business owners, especially those that are socially and economically disadvantaged. For example, the Emerging Leaders Initiative is designed specifically for small businesses that have substantial potential for expansion and growth in Native American and urban communities. See page 11 for more information on this program that is currently hosted in 27 markets across the country.

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

Mariana Pardo, director of the HUBZone program for the SBA, sums up the opportunities for businesses located in HUBZones. “Successful small businesses that are looking to narrow their field of competition in the federal contracting arena should explore the HUBZone certification. There is no expiration to this certification as long as the firm maintains compliance and undergoes a recertification every three years. The HUBZone website offers a wealth of information to help businesses develop a plan of action to obtain and maintain this certification so that they can obtain the maximum benefits for their communities,” she said. See page 36 to learn more about the 8(a) and HUBZone programs.

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

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

# CONTRACTING

## Applying for Government Contracts



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

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

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

### HOW GOVERNMENT CONTRACTING WORKS

#### Sealed bidding vs. Negotiation

There are two methods the government uses to purchase goods and services, sealed bidding and negotiation. The first method, sealed bidding, involves issuing an invitation for bid by a procuring agency. Under

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

#### Types of Contracts

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

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

Some contracts do not fit neatly into these two categories, such as time and material contracts (prices for

hourly wages are fixed but the hours are estimated) and letter contracts (authorizes a contractor to begin work on an urgent requirement).

#### Small Business Set-Asides

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

There are several exceptions and unique rules for specific kinds of small businesses and industries. For Research and Development (R&D) small business set-asides, there must be reasonable expectation of obtaining from small businesses the best scientific and technological sources consistent with the demands of the proposed acquisition. For small business set-asides other than for construction services, any

business proposing to furnish a product that it did not manufacture must furnish the product of a small business manufacturer unless the SBA has granted either a waiver or exception to this requirement. In industries where the SBA finds that there are no small business manufacturers, it may issue a waiver to this non-manufacturer rule. Waivers permit small businesses to provide any domestic firm's product.

### Subcontracting

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

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

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

## SBA CONTRACTING PROGRAMS HUBZONE

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

that are tribally-owned) must meet the following criteria:

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

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

#### The SBA is responsible for:

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

For additional information, visit [www.sba.gov/hubzone](http://www.sba.gov/hubzone).

## 8(a) BUSINESS DEVELOPMENT PROGRAM

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

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

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

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

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

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

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

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

#### SBA is responsible for:

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

For additional information, visit [www.sba.gov/8a](http://www.sba.gov/8a).

## SMALL DISADVANTAGED BUSINESS

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

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

Firms self-certify as SDB without submitting any application to the SBA; however, firms approved by the SBA into the 8(a) Business Development program are automatically certified as an SDB. To self-certify, firms should access the website: [www.sba.gov/sdb](http://www.sba.gov/sdb). By reading the information contained therein you will be given guidance as to what steps are required.

## SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS

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

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

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

## WOMEN-OWNED SMALL BUSINESS FEDERAL CONTRACT PROGRAM

On October 7, 2010, the SBA published a final rule effective February 4, 2011, aimed at expanding federal

# WHAT YOU SHOULD KNOW ABOUT YOUR BUSINESS

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

### 1. Are you a small business?

Is your small business:

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

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

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

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

contracting opportunities for women-owned small businesses. The Women-Owned Small Business (WOSB) Federal Contract Program authorizes contracting officers to set aside certain federal contracts for eligible women-owned businesses and economically disadvantaged women-owned small businesses.

To be eligible, a firm must be at least 51 percent owned or controlled by one or more women. The women must be U.S. citizens. The firm must be "small" in its primary industry in accordance with SBA's size standards for that industry. To be deemed "economically disadvantaged" its owners must

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

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

#### SBA-Certified and Self-Certified.

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

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

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

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

demonstrate economic disadvantage in accordance with the requirements set forth in the final rule. For additional information, visit [www.sba.gov/wosb](http://www.sba.gov/wosb).

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

# GETTING STARTED IN CONTRACTING

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

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

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

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

An EIN, otherwise known as a federal tax identification number, is generally required of all businesses. For more information, go to [www.irs.gov](http://www.irs.gov).

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

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

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

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

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

The SAM is an online federal government maintained database of companies wanting to do business with the federal government. Agencies search the database for prospective vendors. Register at [www.SAM.gov](http://www.SAM.gov).

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

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

## 6. Register with the GSA Schedule

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

## 7. Make Sure Your Business is Financially Sound

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

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

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

To begin searching for contracting opportunities, go to [www.fbo.gov](http://www.fbo.gov).

## 9. Marketing Your Business

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

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

## ADDITIONAL PROCUREMENT RESOURCES

The following federal procurement resources may also be of assistance:

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

# SBA DISASTER ASSISTANCE

Knowing the Types of Assistance Available for Recovery



**T**he disaster program is SBA's largest direct loan program, and the only SBA program for entities other than small businesses. SBA is responsible for providing affordable, timely and accessible financial assistance to homeowners, renters, non-farm businesses of all sizes and private, nonprofit organizations following declared disasters.

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

## Physical Disaster Loans

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

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

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

## Economic Injury Disaster Loans

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

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

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

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



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

More information on all of SBA's disaster assistance programs, including information for military reservists, is available at [www.sba.gov/disaster](http://www.sba.gov/disaster).

### Disaster Preparedness

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

Assessing your risks and needs are an important first step in developing

your business continuity strategy. The American Red Cross' Ready Rating™ program ([www.readyrating.org](http://www.readyrating.org)) is a free online tool that helps businesses get prepared for disaster and other emergencies. With Ready Rating you can evaluate your level of disaster readiness, and you'll get customized feedback on how to establish or expand your disaster plan.

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

Meanwhile, here are a few preparedness tips to consider:

- Review Your Insurance Coverage. Contact your insurance agent to find out if your coverage is right for your business and make sure you understand the policy limits. Ask about Business Interruption Insurance, which compensates you for lost income and covers operating expenses if your company has to temporarily shut down after a disaster.
  - Establish a solid supply chain. If all your vital external vendors and suppliers are local and if the disaster is significantly widespread, you'll all be in the same boat, struggling to recover. It's a good idea to diversify your list of vendors for key supplies to companies outside your area or internationally, if possible. Create a contact list for important contractors and vendors you plan to use in an emergency and find out if those suppliers have a recovery plan in place. Keep this list with other documents filed in a place that's accessible, and also at a protected off-site location.
  - Plan for an alternate location. Do some research well in advance of the disaster for several alternative places to relocate your company in the event a disaster forces you to shut down indefinitely. Some options include contacting a local real estate agent to get a list of available vacant office space. Make an agreement with a neighboring business to share office space if disaster strikes. If possible, make plans for employees to telecommute until the office has been rebuilt.
- The financial and emotional cost of rebuilding a business after a disaster can be overwhelming. However, with a business continuity plan in place, you'll be able to rebound and reopen quickly, and in a better position to contribute to the economic recovery of your community.
- As small businesses are leading America's economic recovery, many of them are investing time and money into their plans to grow and create jobs. Developing a strong disaster preparedness plan should be a critical and integral piece of those efforts. Planning for a disaster is the best way of limiting its effects.

# ADVOCACY AND OMBUDSMAN

Watching Out for the Interests of Small Businesses



## OFFICE OF ADVOCACY

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

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

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

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

Learn more about the Office of Advocacy at [www.sba.gov/advocacy](http://www.sba.gov/advocacy).



## OFFICE OF THE NATIONAL OMBUDSMAN

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

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

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

Learn more about the National Ombudsman at [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman) or call 202-205-2417.

# ADDITIONAL RESOURCES

## Taking Care of Startup Logistics



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

### BUSINESS LICENSES

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

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

### 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.

#### Division of Corporations & Commercial Code

Heber Wells Bldg.  
160 E. 300 S.  
Salt Lake City, UT 84114  
801-530-4849  
General: [www.corporations.utah.gov](http://www.corporations.utah.gov)

### BUSINESS INSURANCE

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

**Liability Insurance** – Businesses may incur various forms of liability in conducting their normal activities. One of the most common types is product liability, which may be

incurred when a customer suffers harm from using the product. There are many other types of liability, which are frequently related to specific industries. Liability law is constantly changing. An analysis of your liability insurance needs by a competent professional is vital in determining an adequate and appropriate level of protection for your business.

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

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

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

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

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

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

## TAXES

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

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

For Small Business Forms and Publications visit: [www.irs.gov/businesses/small/article.html](http://www.irs.gov/businesses/small/article.html).

## FEDERAL PAYROLL TAX (EIN NUMBERS)

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

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

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

## FEDERAL SELF-EMPLOYMENT TAX

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

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

## SALES TAX EXEMPTION CERTIFICATE

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

To register for a Sales and Use Tax License and a Withholding Tax Account for Utah, use Form TC-69, contact:

**Utah State Tax Commission**  
210 N. 1950 West  
Salt Lake City, UT 84134  
801-297-2200  
[tax.utah.gov](http://tax.utah.gov)

## FEDERAL INCOME TAX

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

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

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

**Corporation:** You must file a Federal Corporation Income Tax return (Form 1120). You will also be required to report your earnings from

the corporation including salary and other income such as dividends on your personal federal income tax return (Form 1040).

## FEDERAL PAYROLL TAX

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

## IRS WEB PRODUCTS FOR SMALL BUSINESSES

For the most timely and up-to-date tax information, go to [www.irs.gov/businesses/small/index.html](http://www.irs.gov/businesses/small/index.html).

## VIRTUAL SMALL BUSINESS WORKSHOP

[www.tax.gov/virtualworkshop/](http://www.tax.gov/virtualworkshop/)

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

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

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

Users also have access to a list of useful online references that enhance the learning experience by allowing them to view references and the video lessons simultaneously.

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

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

## SOCIAL SECURITY CARDS

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

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

## EMPLOYEE CONSIDERATIONS Taxes

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

**Social Security Administration**  
800-772-1213  
[www.ssa.gov](http://www.ssa.gov)

**Federal Withholding**  
U.S. Internal Revenue Service  
800-829-1040  
[www.irs.gov](http://www.irs.gov)

**Utah Department of Workforce Services**  
Downtown Metro Office  
720 S. 200 East  
Salt Lake City, UT 84111  
801-526-9850

Clearfield Center  
1290 E. 1450 South  
Clearfield, UT 84015

Provo Center  
1550 N. 200 West  
Provo, UT 84604  
801-342-2600  
<http://jobs.utah.gov>

## Social Security's Business Services Online

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

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

**Federal Withholding**  
U.S. Internal Revenue Service  
800-829-1040  
[www.irs.gov](http://www.irs.gov)

## Health Insurance

Compare plans in your area at [www.healthcare.gov](http://www.healthcare.gov).

## Employee Insurance

If you hire employees you may be required to provide unemployment or workers' compensation insurance. Employers can obtain coverage from a private insurance company or from the Workers' Compensation Fund.

**Utah Labor Commission**  
160 E. 300 South, 3rd Fl.  
Salt Lake City, UT 84114-6610  
801-530-6800

## WORKPLACE DISABILITY PROGRAMS

Americans with Disabilities Act (ADA): For assistance with the ADA, call 800-669-3362 or visit [www.ada.gov](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 the Social Security number and employment eligibility information reported on Form I-9. E-Verify is voluntary in most states and there is no charge to use it.

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

## SAFETY AND HEALTH REGULATIONS

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees. The Occupational Safety and Health Administration provides information on the specific health and safety standards



adopted by the U.S. Department of Labor. Call 1-800-321-6742 or visit [www.osha.gov](http://www.osha.gov).

## BUILDING CODES, PERMITS AND ZONING

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

## BAR CODING

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

## Federal Registration of Trademarks and Copyrights

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

### U.S. Patent and Trademark Office

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

## BUSINESS ORGANIZATION: Choosing Your Business Structure

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

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

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

### Sole Proprietorship

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

### General Partnership

A partnership exists when two or more persons join together in the operation and management of a business. Partnerships are subject to relatively little regulation and are fairly easy to establish. A formal partnership agreement is recommended to address potential conflicts such as: who will be

responsible for performing each task; what, if any, consultation is needed between partners before major decisions, and what happens when a partner dies. Under a general partnership each partner is liable for all debts of the business. Profits are taxed as income to the partners based on their ownership percentage.

### Limited Partnership

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

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

### LLCs and LLPs

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

Additional information is provided in the publications, General Information Concerning Patents and other publications distributed through the U.S. Patent and Trademark Office. For more information, contact the:  
**U.S. Patent and Trademark Office**  
800-786-9199 • [www.uspto.gov](http://www.uspto.gov)

### Copyrights

Copyrights protect original works of authorship including literary, dramatic, musical and artistic, and certain other

intellectual works. Copyrights do not protect facts, ideas and systems, although it may protect the way these things are expressed. For general information contact:

### U.S. Copyright Office

U.S. Library of Congress  
James Madison Memorial Building  
Washington, DC 20559  
202-707-9100 - Order Line  
202-707-3000 - Information Line  
[www.copyright.gov](http://www.copyright.gov)

# OTHER ASSISTANCE

## OTHER SOURCES OF ASSISTANCE

There are many other programs and services available to assist and support entrepreneurs in their endeavors.

### AAA FAIR CREDIT FOUNDATION

AAA Fair Credit Foundation (FCF) is an accredited 501(c)(3) nonprofit organization which administers the Utah Individual Development Account Network, a matched savings program for low-income working families. Savings are matched 3:1 up to a total of \$6,000 for small business start-up or capitalization. In addition, FCF provides financial counseling assistance, debt management, and financial education programs to help consumers improve financial well-being and quality of life.

### AAA FAIR CREDIT FOUNDATION

230 West 200 S., Ste. 3104  
Salt Lake City, UT 84101  
800-351-4195  
www.faircredit.org

### BETTER BUSINESS BUREAU (BBB)

Businesses may register with BBB to take advantage of the many services provided by BBB. BBB provides information on over 2.5 million organizations, including businesses and charities. Also, if you think that a company or charity has treated you unfairly, you can file a complaint online.

### BETTER BUSINESS BUREAU (BBB)

5673 S. Redwood Rd., #22  
Salt Lake City, UT 84123  
801-892-6009 • 801-892-6002 Fax  
www.utah.bbb.org

### BUREAU OF ECONOMIC AND BUSINESS RESEARCH (BEBR)

BEBR is an applied research center in the David Eccles School of Business at the University of Utah. BEBR's mission is to conduct and support research related to the structure of the Utah economy, its resources and its potential for expansion. BEBR also analyzes the economic and demographic impacts of economic events and policy initiatives on local and regional economies, provides advice on economic issues and conducts regional economic analysis. BEBR interacts with both private and public entities, conducting independent studies and engaging in sponsored research.

### BUREAU OF ECONOMIC AND BUSINESS RESEARCH

1645 E. Campus Center Dr., Rm. 401  
Salt Lake City, UT 84112  
801-581-6333  
www.bebr.utah.edu

### BUSINESS INFORMATION CENTER (BIC)

The BIC is another source of counseling and other services to assist entrepreneurs in planning their business, expanding an existing business, or venturing into new areas. The BIC has business resource libraries equipped with personal computer

workstations, books, videos, and reference guides to assist in developing a business plan, promotional materials, office templates, financial statements, and IRS tax forms and publications. Additionally, BIC clients can meet with business counselors from SCORE. A tax consultant is also available to discuss federal taxes.

### BUSINESS INFORMATION CENTER

2036 Lincoln Ave., #105  
Ogden, UT 84401  
801-629-8613

### ECONOMIC DEVELOPMENT CORPORATION OF UTAH (EDCU)

EDCU is a private, statewide, non-profit organization that assists companies who are considering Utah for a business location or expansion. EDCU is a one-stop source for the latest information about doing business in Utah.

### ECONOMIC DEVELOPMENT CORPORATION OF UTAH (EDCU)

201 S. Main St., Ste. 2150  
Salt Lake City, UT 84111  
801-328-8824  
www.edcutah.org

### MILLER BUSINESS INNOVATION CENTER

The Innovation Center (IC) is an accelerator program for innovative enterprises seeking high growth. The IC houses progressive, small businesses in a commercial work environment where the infrastructure, business, educational and operational support meet the needs of entrepreneurs so they may establish long-term success. The IC is a 501(c)(3) non-profit organization operated under the auspices of Salt Lake Community College. Together, Larry H. Miller, a Utah entrepreneur, and Salt Lake Community College have built a center where entrepreneurs share valuable resources, educational know-how, and community partnerships to leverage business opportunities. In turn, entrepreneurs contribute to Utah's economic development and job creation.

### MILLER BUSINESS INNOVATION CENTER

9750 S. 300 West  
Sandy, UT 84070  
801-957-5279  
www.slcc.edu/mbic

### NATIONAL ASSOCIATION OF WOMEN BUSINESS OWNERS (NAWBO)

NAWBO is a dues-based national organization representing the interests of all women entrepreneurs in all industries. It currently has over 8,000 members in more than 80 chapters nationwide. NAWBO helps women forge connections with other women business owners to exchange ideas and opportunities, gain access to certification and procurement opportunities, and network with women representing every industry on a local and national level. NAWBO membership entitles you to attend conferences and seminars on the trends, regulations and new technologies that impact your business; participate in

an integrated online community of women business owners for special interest groups, vendor, or joint venture searches, and help forums; benefit from advocacy for business issues; enjoy access to research conducted by the Center for Women's Business Research; access a network of global business contacts in 35 countries; and use the national NAWBO online directory.

### NAWBO SALT LAKE CHAPTER

801-487-4600  
office@nawboslc.org  
www.nawboslc.org

### PETE SUAZO BUSINESS CENTER

The Center has a two-pronged mission in its effort to serve Utah's Hispanic and other underserved populations: (1) provide education on what is needed to start and run a successful business in the United States; and (2) serve as an access point for organizations, institutions, and other existing entities that wish to offer their services to the underserved communities in this area. These services include business management counseling, business plan development, marketing, and business loan services.

### PETE SUAZO BUSINESS CENTER

960 W. 1700 South  
Salt Lake City, UT 84104  
801-521-1709 • 801-521-6085 Fax  
www.petesuzocenter.org  
info@petesuzocenter.org

### SALT LAKE CITY CORPORATION

Salt Lake City has several programs and services to aid small businesses. For details, go to [www.slccgov.com/](http://www.slccgov.com/). One of the city's programs is the Small Business Revolving Loan Fund. The program is designed to stimulate business development and expansion, encourage private investment, promote economic development, and enhance neighborhood vitality in the city by making low-interest loans available to businesses. These funds may be used for land, building, equipment, and working capital. The funds can be utilized obtained as direct loans, participation loans, subordinate financing, and gap financing. For more information, contact:  
SALT LAKE CITY CORPORATION  
451 S. State St.,  
Salt Lake City, UT 84111  
801-535-7704  
[www.slccgov.com/](http://www.slccgov.com/)

### THE DOWNTOWN ALLIANCE

The Downtown Alliance is a non-profit organization created to foster business, community, and culture in the Central Business District (CBD). Established in 1991, the Alliance is comprised of more than 2,500 business and property owners in the CBD's 40-block area, which is bounded by North Temple, 500 West, 400 South and 200 East. The Alliance produces special events and targeted research to promote downtown Salt Lake City as the epicenter of commerce and culture in the Intermountain

West. The programs are designed to bring people into the city, thereby creating business opportunities for its shareholders, while the publications survey economic, cultural, and community development to help the Alliance lobby for downtown interests. For more information, contact:

### THE DOWNTOWN ALLIANCE

175 E. 400 South, #600  
Salt Lake City, UT 84111  
801-359-5118 • 801-328-5098 Fax  
info@downtownslc.org  
www.downtownslc.org

### U.S. DEPARTMENT OF AGRICULTURE (USDA) – RURAL DEVELOPMENT

Rural Business Cooperative Service (RBCS) Programs is an agency of USDA Rural Development emphasizing economic development in rural Utah by providing financial assistance to business projects. RBCS provides economic development and financial assistance through a variety of federal loan, loan guarantee, and grant programs. RBCS financial assistance is often leveraged with other public and commercial credit sources to multiply the impact of these programs. Priority is given to projects that support a diversified rural Utah economy and to businesses that create or save good quality jobs in rural Utah. Priority is also given to businesses benefiting the most rural and impoverished areas of Utah. RBCS has the following programs that provide financial assistance to rural businesses.

### BUSINESS & INDUSTRY (B&I) GUARANTEED LOAN PROGRAM

Under this program, RBCS guarantees loans made by rural lenders to good quality businesses that support a diversified economic base and provide or save good quality jobs in rural areas. RBCS can offer an 80 percent guarantee on loan requests of \$5,000,000 or less; a 70 percent guarantee on loans between \$5,000,000 and \$10,000,000; and a 60 percent guarantee on loans between \$10,000,000 and \$25,000,000. B&I loans have longer maturities and lower interest rates than normal commercial loans. Rural areas for this program are communities with a population of less than 50,000, and not immediately adjacent to a community with a population of 50,000 or more. B&I requests are funded throughout the year as needed.

### INTERMEDIARY RELENDING PROGRAM (IRP)

Under this program, RBCS lends seed capital funds to qualified intermediaries, which in turn provide loans to rural businesses. Qualified intermediaries may include public bodies, non-profit corporations, cooperatives, or federally recognized Indian tribes. Intermediaries can borrow a maximum of \$15 million in IRP loan funds in annual increments of up to \$750,000 at a low interest rate of 1

# OTHER ASSISTANCE

percent for a maximum term of 30 years. Intermediaries make loans up to \$250,000 to rural businesses. Rural areas for this program are communities with a population of less than 25,000, and not immediately adjacent to a community with a population of 25,000 or more. IRP requests are typically considered for funding on a quarterly basis.

## RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM (REDLG)

Certain electric and telecommunications companies utilize the REDLG program to obtain a maximum \$200,000 grant to provide capital to establish a revolving loan program, or to obtain a maximum \$450,000, 0%, 10-year loan to assist a promising rural business. Eligible electric or telecommunications companies are: Dixie-Escalante Rural Electric Association (REA); Flowell Electric Association; Garkane Power Association; Moon Lake Electric Association; Beehive Telephone Company, Inc.; Central Utah Telephone, Inc.; Emery Telephone; and Uintah Basin Telephone Association. Rural areas for this program are typically communities with a population of less than 25,000, and not immediately adjacent to a community with a population of 25,000 or more. REDLG requests are typically considered for funding on a quarterly basis.

## RURAL BUSINESS ENTERPRISE GRANT PROGRAM (RBEG)

Public bodies, private non-profit organizations, and native American tribes utilize the RBEG program to obtain grant funding typically not exceeding \$100,000 for projects that benefit small and emerging businesses in rural areas. RBEG funds may benefit small and emerging rural businesses by providing technical assistance (business plans, feasibility studies, marketing studies, economic development training, etc.), purchasing machinery or equipment, construction/improving buildings that will benefit multiple rural businesses, or providing capital to start or expand a revolving loan program. A small and emerging business is defined as a business with fewer than 50 new employees, and less than \$1,000,000 in gross revenues. Rural areas for this program are communities with a population of less than 50,000, and not immediately adjacent to a community with a population of 50,000 or more. RBEG requests are typically considered for funding in December and June of each year.

## RURAL BUSINESS OPPORTUNITY GRANT PROGRAM (RBOG)

Public bodies, private non-profit organizations, cooperatives, and Native American tribes utilize the RBOG program to obtain technical assistance grant funding of up to \$50,000 for projects that benefit sustainable economic growth in economically depressed rural areas of Utah. Projects must have a measurable

and reasonable chance of improving the economic conditions of the depressed rural area. Eligible technical assistance activities include business plan development, feasibility studies, marketing studies, and economic development training. Rural areas for this program are communities with a population of less than 50,000, and not immediately adjacent to a community with a population of 50,000 or more. RBOG requests are typically considered for funding in December and June of each year.

## VALUE-ADDED AGRICULTURAL PRODUCER GRANT PROGRAM (VADG)

VADG funds may be utilized by eligible independent producers of agricultural commodities, agricultural producer groups, farmer and rancher cooperatives, and majority-owned producer-based business ventures to plan or implement sales agricultural products into emerging markets. VADG awards are limited to 50% of project costs. VADG applicants must provide a minimum of 50% of project costs in non-federal matching funds, or eligible in-kind contributions. There is no rural area definition for this program. VADG requests are typically considered for funding in June of each year.

## RURAL COOPERATIVE DEVELOPMENT GRANT PROGRAM (RCDG)

RCDG funds may be utilized by selected on-profit corporations or institutions of higher education to establish and operate centers for rural cooperative development which will facilitate the development of new rural cooperatives, value-added processing, and rural businesses that create or retain jobs in rural areas. RCDG awards are limited to 75 percent of project costs. The RCDG applicant must provide a minimum of 25 percent of project costs in non-federal matching funds, or eligible in-kind contributions. Rural areas for this program are communities with a population of less than 50,000, and not immediately adjacent to a community with a population of 50,000 or more. RCDG requests are typically considered for funding in June of each year.

## RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENT GRANT

These grants may be utilized to purchase renewable energy systems and make energy improvements for agricultural producers and rural small businesses. Funding is available up to \$500,000 to purchase alternative energy systems (solar, wind, geothermal, anaerobic digester, etc.), or up to \$250,000 to make energy efficiency improvements to their existing operations. Grants are limited to 25% of eligible project costs. The applicant must provide a minimum 75% of project costs in non-federal matching funds. In-kind contributions cannot be considered toward matching funds. This program

cannot be used to fund R&D projects, or finance unproven technologies. Small businesses for this program must meet the Small Business Administration's size standards. Rural areas for this program are communities with a population of less than 50,000, and not immediately adjacent to a community with a population of 50,000 or more. Requests are typically considered for funding in May of each year.

## RURAL COMMUNITY DEVELOPMENT INITIATIVE (RCDI)

Qualified intermediaries can obtain a minimum \$50,000 up to a maximum \$1,000,000 in matching RCDI grant assistance to increase the intermediary's capacity to provide economic development technical assistance to low-income community-based non-profit organizations, low-income community public entities, or federally recognized tribes for the purpose of developing economic projects in low income rural areas. RCDI grants are limited to 50 percent of project costs. The RCDI applicant must provide a minimum 50 percent of project costs in non-federal matching funds. In-kind contributions cannot be considered toward matching funds. Rural areas for this program are communities with a population of less than 50,000, and not immediately adjacent to a community with a population of 50,000 or more. Low-income communities must be at or below 80% of the state or national Median Household Income (MHI). Qualified intermediaries include private non-profit, public, or tribal organizations that provide financial and technical assistance to multiple recipients. Intermediaries must have been organized for a minimum of three years before applying for RCDI assistance. RCDI requests are typically considered for funding in May of each year. Contact RBCS personnel at the State Office for more information, current funding cycles, current funding levels, and application requirements on any RBCS program:

## USDA RURAL DEVELOPMENT

125 S. State St., Rm. 4311  
Salt Lake City, UT 84138  
801-524-4321 • 801-524-4406 Fax  
USDA Rural Development –  
[www.rurdev.usda.gov/ut](http://www.rurdev.usda.gov/ut)  
United States Department of Agriculture –  
[www.usda.gov](http://www.usda.gov)

## UTFC FINANCING SOLUTIONS LLC (UTFC)

UTFC is a Small Business Investment Company (SBIC) licensed by SBA. UTFC invests in small companies throughout the region by providing subordinated debt to start-up and growing businesses. UTFC is focused on information technology but invests in a wide range of companies from manufacturing to services. To ensure the long-term success of the companies it finances, UTFC monitors each company's progress and offers technical assistance in critical areas of business management. For more information, contact:

## UTFC FINANCING SOLUTIONS LLC (UTFC)

515 South 700 E., Ste. 2A  
Salt Lake City, UT 84102  
801-741-4200  
Fax 801-741-4249  
[info@utfc.biz](mailto:info@utfc.biz)  
[www.innoventures.com](http://www.innoventures.com)

## UTAH BUSINESS LENDING CORPORATION

Utah Business Lending Corporation provides loans to rural Utah businesses through the United States Department of Agriculture and the Salt Lake County Revolving Loan Fund.

## UTAH BUSINESS LENDING CORPORATION

1196 W. South Jordan Pkwy., Unit D-B  
South Jordan, UT 84095  
801-654-2213  
[www.utahbusinesslending.com](http://www.utahbusinesslending.com)

## UTAH MANUFACTURING EXTENSION PARTNERSHIP (MEP)

MEP is a non-profit organization chartered with raising the level of competitiveness, performance, and profitability of Utah's manufacturers. MEP leverages state and federal support, along with a network of Utah-based public and private resources, to assist in providing services to small manufacturers. With offices located throughout the state, MEP staff members provide both strategic and technical advice and assistance to local companies. MEP provides a complimentary strategic business assessment (the Discovery Process®) to help companies identify the five to ten most important issues affecting their bottom line. MEP services are available in the areas of lean manufacturing, sales and marketing, quality engineering and management, assessments and benchmarking, executive coaching, product development and improvement, strategic planning, project management, eBusiness strategies, supply chain management, process simulation, and MRP software selection and implementation.

## UTAH MEP @ UTAH VALLEY UNIVERSITY

800 W. University Pkwy., MS-212  
Orem, UT 84058  
801-863-8637  
[www.mep.org](http://www.mep.org)  
[info@mep.org](mailto:info@mep.org)

## UTAH MICROENTERPRISE LOAN FUND (UMLF)

UMLF is a private, non-profit, community development financial institution (CDFI) whose mission is to provide financing and management support to entrepreneurs in start-up and existing firms that do not have access to traditional funding sources; especially those who are socially and economically disadvantaged. The UMLF makes loans of up to \$25,000 with a maximum term of five years. Interest rates range from prime plus 5%-7% and are fixed as of the date of the loan. Funds can be used to purchase equipment and inventory, working capital and refinancing of business credit card debt. The loan

# OTHER ASSISTANCE

recipient must be located in: BoxElder, Davis, Morgan, Salt Lake, Summit, Tooele, Utah, Wasatch or Weber County. Coming soon to Cache and Rich counties! For more information, contact:

## UTAH MICROENTERPRISE LOAN FUND

154 E. Ford Ave., #A  
Salt Lake City, UT 84115  
801-746-1180 • 801-746-1181 Fax  
www.umlf.com

## UTAH SAFETY COUNCIL

The mission of the Utah Safety Council is to promote safety and health by providing education, services, and products. A grant from the Utah Labor Commission allows the Council to offer several Small Business Occupational Safety Courses for only \$5.00 per person. Additionally, the Council is able to offer a 50% discount for the Advanced Safety Certificate training courses. The occupational safety course schedule is available online at the Council's website. The Council also offers a free Employee Safety Orientation Course in the Spanish Language. The Council is also able to offer the Safety Video Library with over 800 current titles available for loan. Several of these training videos are in Spanish. The Council is your complete resource for safety and health solutions.

## UTAH SAFETY COUNCIL

1574 W. 1700 S., Ste. 2A  
Salt Lake City, UT 84104  
801-746-7233  
safety@utahsafetycouncil.org  
www.utahsafetycouncil.org

## UTAH SUPPLIERS DEVELOPMENT COUNCIL (USDC)

The mission of USDC is to increase the purchase of goods and services by large companies and government entities from woman-owned, small-disadvantaged, minority-owned, HubZone, and veteran-owned companies. USDC large company members are purchasing specialists who assist small companies in contacting requesters in their firms. USDC holds monthly meetings where we do networking, training, and conferences. USDC is the only purchasing group in Utah dedicated to increasing the dollars spent by large companies and government agencies with small businesses, especially those owned by women and minority groups. For more information, contact:

## UTAH SUPPLIERS DEVELOPMENT COUNCIL (USDC)

1901 E. S. Campus Dr., #151  
Salt Lake City, UT 84112  
801-581-7450 • 801-581-8609 Fax  
www.usdcutah.com

## UTAH TRANSIT AUTHORITY (UTA)

The Disadvantaged Business Enterprise (DBE) program has been the Department of Transportation's most important tool for promoting equal opportunity in federal transportation contracting since it was first signed into law by President Reagan

in 1983. If you are a small business that is owned and controlled by minorities or women, and provides products or services that could be utilized by a Highway, Transit or Airport agency, you should learn more about the DBE program. To become DBE certified, a company must meet the following criteria: (1) be at least 51 percent owned and controlled by minorities, women or other individuals who face economic obstacles in the marketplace; (2) have gross receipts not exceeding 22.41 million dollars, averaged over a three year period; (3) have owners whose personal net worth does not exceed 1.32 million dollars; and (4) must not exceed the size definition of a small business, according to SBA's size standards (NAICS codes). Certification as a DBE involves completion of an application with appropriate supporting documentation, and an on-site visit by a Utah Unified Certification Program (UUCP) official. Commonplace business documents including financial statements, tax returns and articles of incorporation are usually required. Additional information about the DBE program can be found at the following websites: (1) Utah Department of Transportation (UDOT) - [www.udot.utah.gov/index.php?m=c&tid=198](http://www.udot.utah.gov/index.php?m=c&tid=198); (2) Utah Transit Authority (UTA) - <http://www.rideuta.com/mc/?page=DoingBusiness-DisadvantagedBusinessEnterprises>; and (3) Salt Lake City Department of Airports (SLCDA) - [www.slcairport.com/31.asp](http://www.slcairport.com/31.asp).

## DISADVANTAGED BUSINESS ENTERPRISE (DBE) LIAISON OFFICER

Raymond Christy  
Utah Transit Authority,  
Civil Rights Office  
669 West 200 S.  
Salt Lake City, UT 84101  
801-287-3537  
rchristy@rideuta.com

## VARIOUS COUNTY ECONOMIC DEVELOPMENT ORGANIZATIONS

There are associations throughout Utah that are organized to promote and support economic development in counties and other localities. Check with an association near you to see if it has programs or services that can help your small business. Wayne Brown Institute The Wayne Brown Institute offers entrepreneurs educational and training programs that transfer experience, knowledge, contacts and capital from the world's leading business and financial organizations to promising early-stage, technology-based companies.

## WAYNE BROWN INSTITUTE

201 S. Main St., #800  
Salt Lake City, UT 84110-2135  
801-595-1141  
[www.venturecapital.org](http://www.venturecapital.org)  
[info@venturecapital.org](mailto:info@venturecapital.org)

## GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

The Governor's Office of Economic Development (GOED) was created in July 2005 based on Governor Huntsman's commitment to economic development. GOED is a state agency with two strategic business units: business development and tourism. The economic development charter for this office is to provide rich business resources for the creation, growth, and recruitment of companies, and to increase tourism in Utah. The agency has programs in the following areas:

- Small Business Development Centers (SBDC)
  - Corporate recruitment
  - Incentive programs
  - Cluster Industries - Targeted high growth markets
  - Procurement Technical Assistance Center- Assistance for businesses who want to sell to governmental and military buyers
  - International Trade and Diplomacy Foreign trade assistance- South America, Asia and Europe
  - Centers of Excellence University Technology Commercialization
  - Tourism Cooperative Marketing Program for small travel business
  - Utah Film Commission Motion Picture Incentive Fund
- For more information and to access resources, contact them at:  
60 E. South Temple, 3rd Fl.  
Salt Lake City, UT 84111  
801-583-8680 or 855-204-9046 Toll Free  
801-538-8888 Fax  
[www.goed.utah.gov](http://www.goed.utah.gov)

## UTAH SCIENCE TECHNOLOGY AND RESEARCH INITIATIVE (USTAR)

Utah Science Technology and Research Initiative (USTAR): Catalyzing technology development through innovative research at state-of-the-art research facilities and world class science, innovation and commercialization teams. Utah has always been at the forefront of scientific discovery and innovation. From Philo T. Farnsworth's invention of the television, to mapping the human genome, Utah's research universities continue to play a pivotal role in technology innovation and commercialization. Building on this heritage of innovation, the Utah State Legislature, with the strong endorsement of Utah's business community, passed an innovative, visionary and far-reaching bill, the Utah Science Technology and Research initiative (USTAR), to bolster Utah's high technology economy. The mission of USTAR is to promote and encourage local commercialization of discoveries and technologies emanating from the state's public research universities to regional applied technology centers, colleges, businesses, and entrepreneurs. This website serves as a resource compilation for growth companies, entrepreneurs, and

inventors alike as well as an informational hotspot for breaking news on what's happening throughout Utah in technology development. Please visit our County specific database which contains a statewide listing of all service providers, business and entrepreneurial resources, consulting services and research university contacts by county. You will find an ever-expanding variety of online tools to support the vast needs of Utah innovators. Contact USTAR:

## USTAR GOVERNING AUTHORITY EXECUTIVE OFFICE

60 E. South Temple, 3rd Fl.  
Salt Lake City, UT 84111  
801-538-8622 • 801-538-8881 Fax  
[Ustar@utah.gov](mailto:Ustar@utah.gov)

## WORLD TRADE CENTER UTAH (WTCU)

The World Trade Center Utah guides Utah companies into profitable international markets. Together with our key international partners, the Governor's Office of Economic Development, and the U.S. Commercial Service, we offer essential services to Utah businesses including: Assessment: an initial analysis of each company's trade capabilities, challenges and opportunities  
Connection: recommendations and referrals to the most relevant support services  
Education: trade related seminars, events and courses to increase company expertise  
WTCU publishes a free weekly email newsletter with articles and links of interest to internationalists and a state-wide international events calendar. To subscribe: [www.wtcut.com/subscribe.html](http://www.wtcut.com/subscribe.html)  
Jump start your company's global success at: [www.wtcut.com](http://www.wtcut.com)

## Chambers of Commerce

Chambers of Commerce located throughout the state provides small businesses with information and assistance.

## AMERICAN FORK

51 E. Main St.  
American Fork, UT 84003  
801-756-5110  
[chamber@afcity.net](mailto:chamber@afcity.net)  
[www.afchamber.org](http://www.afchamber.org)

## BEAR LAKE RENDEZVOUS

P.O. Box 55  
Garden City, UT 84028  
800-448-2327  
[www.bearlakechamber.com](http://www.bearlakechamber.com)

## BEAR RIVER VALLEY

150 S. Tremont St.  
Tremonton, UT 84337-1636  
435-257-7585  
[www.bearrivervalleychamber.com](http://www.bearrivervalleychamber.com)

## BEAVER VALLEY

P.O. Box 760  
Beaver, UT 84713  
888-848-5081  
[www.beaverutchamber.com](http://www.beaverutchamber.com)  
[chamber@beaverutchamber.com](mailto:chamber@beaverutchamber.com)

# OTHER ASSISTANCE

## BRIAN HEAD

56 N. Hwy. 143  
Brian Head, UT 84719  
435-677-2810  
www.brianheadchamber.com

## BRIGHAM CITY AREA

6 N. Main  
Brigham City, UT 84302  
435-723-3931  
www.bcareaeachamber.com

## CACHE

160 N. Main St.  
Logan, UT 84321  
435-752-2161  
www.cachechamber.com

## CARBON COUNTY

81 North 200 E., #3  
Price, UT 84501  
435-637-2788  
www.carboncountychamber.org

## CEDAR CITY

77 N. Main St.  
Cedar City, UT 84720  
435-586-4484  
www.cedarcitychamber.org

## CHAMBER WEST

1241 W. Village Main Dr  
West Valley City, UT 84119  
801-977-8755  
www.chamberwest.org

## DAVIS COUNTY/LAYTON

450 S. Simmons Wy., Ste. 220  
Kaysville, UT 84037  
801-593-2200  
www.davischamberofcommerce.com/

## DELTA AREA

80 North 200 W.  
Delta, UT 84624  
435-864-4316  
www.deltautahchamber.com

## DRAPER

1160 Pioneer Rd.  
Draper, UT 84020  
801-553-0928  
www.draperchamber.com

## DUCHESNE

50 East 200 S.  
Roosevelt, UT 84066  
435-722-4598  
www.duchesne.net

## ESCALANTE

P.O. Box 175  
Escalante, UT 84726  
435-826-4810  
www.escalante-cc.com

## FILLMORE

460 N. Main St  
Fillmore, UT 84631  
435-743-7803  
www.fillmoreutahchamber.com

## HEBER VALLEY

475 N. Main  
Heber City, UT 84032  
866-994-3237  
www.hebervalleybusiness.com

## HURRICANE

63 South 100 W., Ste. 119  
Hurricane, UT 84737  
435-635-3402 • 435-635-3402 Fax  
www.hvchamber.com

## KANAB

78 South 100 E.  
Kanab, UT 84741  
435-644-5033  
www.kanabchamber.com

## LATIN AMERICAN

1405 S. Main St.  
SLC, UT 84115  
801-649-5465  
www.laccutah.org

## LEHI

235 E. State St.  
Lehi, UT 84043  
801-836-0836  
www.lehiareachamber.com

## MAGNA

8952 W. 2700 South  
Magna, UT 84044  
801-250-5690  
www.magnachamber.org

## MOAB AREA

217 E. Center St., #250  
Moab, UT 84532  
435-259-7814 • 435-259-8519 Fax  
www.moabchamber.com  
info@moabchamber.com

## MONTICELLO

P.O. Box 217  
Monticello, UT 84535  
435-459-9700  
Info@monticelloutahcoc.com  
www.monticelloutahchamber.com

## MURRAY

5250 S. Commerce Dr  
Murray, UT 84107  
801-263-2632  
www.murraychamber.net

## OGDEN/WEBER CoC

2484 Washington Blvd., Ste. 400  
Ogden, UT 84401  
801-621-8300  
www.ogdenweberchamber.com

## PANGUITCH/GARFIELD COUNTY

P.O. Box 77  
Panguitch, UT 84759  
800-444-6689  
www.panguitch.org

## PARK CITY

1910 Prospector Ave.  
Park City, UT 84060  
435-649-6100  
www.visitparkcity.com

## PAYSON

20 S. Main  
Payson, UT 84651  
801-465-2634  
www.paysoncitychamber.com

## PLEASANT GROVE/LINDON

70 South 100 E.  
Pleasant Grove, UT 84062  
801-922-4555  
Info@plgrovechamber.org  
www.plgrovechamber.org

## UTAH VALLEY CHAMBER OF COMMERCE

111 S. University Ave.  
Provo, UT 84601  
801-851-2555  
www.thechamber.org  
info@thechamber.org

## RICHFIELD

250 N. Main St  
Richfield, UT 84701  
435-896-4241  
www.richfieldareachamber.com

## ST. GEORGE

97 E. St. George Blvd.  
St. George, UT 84770  
435-628-1658  
www.stgeorgechamber.com

## SALT LAKE CITY

175 E. 400 S., Ste. 600  
Salt Lake City, UT 84111  
801-364-3631  
www.slchamber.com

## SANDY

9350 South 150 E., Ste. 580  
Sandy, UT 84070  
801-566-0344  
www.sandychamber.com

## SOUTH JORDAN

1644 W. Towne Center Dr.  
South Jordan, UT 84095  
801-253-5200 • 801-253-5201 Fax  
www.southjordanchamber.org

## SOUTH SALT LAKE

220 E. Morris Ave., #150  
South Salt Lake City, UT 84115  
801-466-3377  
www.sslchamber.com

## SOUTHWEST VALLEY

4168 W. 12600 South  
Riverton, UT 84065  
801-280-0595 • 801-316-6706 Fax  
www.svwchamber.org

## SPANISH FORK

40 S. Main  
Spanish Fork, UT 84660  
801-798-8352  
www.spanishforkchamber.com

## SPRINGVILLE AREA

717 N. Main St., Ste. 207  
Springville, UT 84663  
801-489-4681  
www.springvillechamber.com

## TOOELE COUNTY

154 S. Main St.  
Tooele, UT 84074  
435-882-0690 • 435-833-0946 Fax  
www.tooelechamber.com

## UTAH BLACK CHAMBER

P.O. Box 25715  
Salt Lake City, UT 84125  
801-678-7640  
www.utahblackchamber.org

## UTAH HISPANIC

1635 S. Redwood Rd.  
Salt Lake City, UT 84104  
801-532-3308  
www.utahhcc.com

## VERNAL AREA

134 W. Main  
Vernal, UT 84078  
435-789-1352 • 435-789-1355 Fax  
www.vernalchamber.com

## WEST JORDAN

8000 S. Redwood Rd.  
West Jordan, UT 84088  
801-569-5151 • 801-569-5153 Fax  
www.westjordanchamber.com

## Economic Development Organizations

### BEAR LAKE REGIONAL COMMISSION

P.O. Box 472  
69 North Pkwy., Bldg. B.  
Garden City, UT 84028  
435-946-2198 • 435-946-2205 Fax  
Contact: Christy Jensen

### BOX ELDER COUNTY ECONOMIC DEVELOPMENT

1 S. Main St., #30  
Brigham City, UT 84302  
435-734-3313 • 435-734-2728 Fax  
Contact: Kevin Hamilton

### CACHE COUNTY CHAMBER OF COMMERCE

160 N. Main St.  
Logan, UT 84321  
435-752-2161 • 435-753-5825 Fax  
Contact: Sandra Emile

### CARBON ECONOMIC DEVELOPMENT

120 E. Main St.  
Price, UT 84501  
435-636-3295 • 435-637-7336 Fax  
Contact: Delynn Fielding

# OTHER ASSISTANCE

## DAGGETT COUNTY ECONOMIC DEVELOPMENT

95 North 1st West  
Manila, UT 84046  
435-784-3218 • 435-784-3335 Fax  
Contact: Brian Raymond

## DAVIS COUNTY ECONOMIC DEVELOPMENT

28 E. State St., Rm. 221  
Farmington, UT 84025  
801-451-3278 • 801-451-3281 Fax  
Contact: Kent Sulser

## DUCHESNE COUNTY ECONOMIC DEVELOPMENT

50 E. 200 S  
Roosevelt, UT 84066  
435-722-4598 • 435-722-4579 Fax  
Contact: Irene Hansen

## EMERY COUNTY ECONOMIC DEVELOPMENT

94 E. Main St  
Castle Dale, UT 84513  
435-381-5576 • 435-381-5529 Fax  
Contact: Mike McCandless

## GARFIELD/PANGUITCH ECONOMIC DEVELOPMENT

P.O. Box 77  
Panguitch, UT 84759  
435-676-1160 or 800-444-6689  
Contact: Allen Henrie

## CITY OF MOAB ECONOMIC DEVELOPMENT

217 E. Center St.  
Moab, UT 84532  
435-259-5121  
Contact: Ken Davey

## IRON COUNTY ECONOMIC DEVELOPMENT

10 N. Main St.  
Cedar City, UT 84720  
435-586-2770 • 435-586-4362 Fax  
Contact: Jessica Helvie

## JUAB COUNTY ECONOMIC DEVELOPMENT

160 N. Main St., Rm. 102  
Nephi, UT 84648  
435-623-3415 • 435-623-4609 Fax  
Contact: Brent Boswell

## MILLARD COUNTY ECONOMIC DEVELOPMENT

71 S. 200 West/P.O. Box 854  
Delta, UT 84624  
435-864-1400 or 800-463-8627  
Contact: Linda Gillmor

## PIUTE COUNTY ECONOMIC DEVELOPMENT

550 N. Main St./P.O. Box 99  
Junction, UT 84740  
435-577-2949 • 435-577-2433 Fax  
Contact: Mel Terry

## SALT LAKE COUNTY BUSINESS & ECONOMIC DEVELOPMENT

2001 S. State St., #S2100  
Salt Lake City, UT 84190  
801-468-2221 • 801-468-3684 Fax  
www.upgrade.slco.org  
Contact: Christina Oliver

## SAN JUAN COUNTY COMMUNITY DEVELOPMENT

117 S. Main St./P.O. Box 490  
Monticello, UT 84535  
435-587-3235 • 435-587-2425 Fax  
Contact: Charlie Delorme

## SANPETE COUNTY ECONOMIC DEVELOPMENT

P.O. Box 148  
Manti, UT 84642  
435-835-4321 • 435-835-6876 Fax  
Contact: Kevin B. Christensen

## SEVIER COUNTY ECONOMIC DEVELOPMENT

Sevier County Courthouse  
250 N. Main St., Rm. 10  
Richfield, UT 84701  
435-893-0454 • 435-893-0495 Fax  
Contact: Malcolm Nash

## SUMMIT COUNTY PARK CITY CHAMBER/BUREAU

1910 Prospector Ave., Ste. 103  
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Park City, UT 84060  
435-649-6100 • 435-649-4132 Fax  
Contact: Bill Malone

## TOOELE COUNTY COMMISSION ECONOMIC DEVELOPMENT

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Tooele, UT 84074  
435-843-3150 • 435-843-3427 Fax  
Contact: Nicole Cline

## UINTAH COUNTY-VERNAL CITY ECONOMIC DEVELOPMENT

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Vernal, UT 84078  
435-781-6767 • 435-781-6766 Fax  
Contact: Tammie Lucero

## UTAH COUNTY ECONOMIC DEVELOPMENT

201 S. Main St., Ste. 2150  
Salt Lake City, UT 84111  
801-328-8824  
Contact: Russ Fotheringham

## WASATCH COUNTY ECONOMIC DEVELOPMENT

475 N. Main St.  
Heber City, UT 84032  
435-654-3666 • 435-654-3667 Fax  
Contact: Ryan Starks

## WASHINGTON COUNTY ECONOMIC DEVELOPMENT COUNCIL

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St. George, UT 84770  
435-652-7750 • 435-652-7870 Fax  
Contact: Scott Hirschi

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18 S. Main St./P.O. Box 189  
Loa, UT 84747  
435-836-1315 • 435-836-1334 Fax  
Contact: Michelle Coleman

## WEBER COUNTY ECONOMIC DEVELOPMENT

2484 Washington Blvd., Ste. 400  
Ogden, UT 84401-1411  
801-621-8300 • 801-392-7609 Fax  
Contact: Ron Kusina

## CITY OF WEST JORDAN

8000 South Redwood Rd.  
West Jordan, UT 84088  
801-569-5060 • 801-569-5099 Fax  
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Salt Lake City, UT 84111  
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Contact: Andrew Gruber  
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801-434-8326 • 801-377-2861 Fax  
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Contact: Paul Smith

## UTAH ASSOCIATION OF COUNTIES

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Salt Lake City, UT 84107  
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