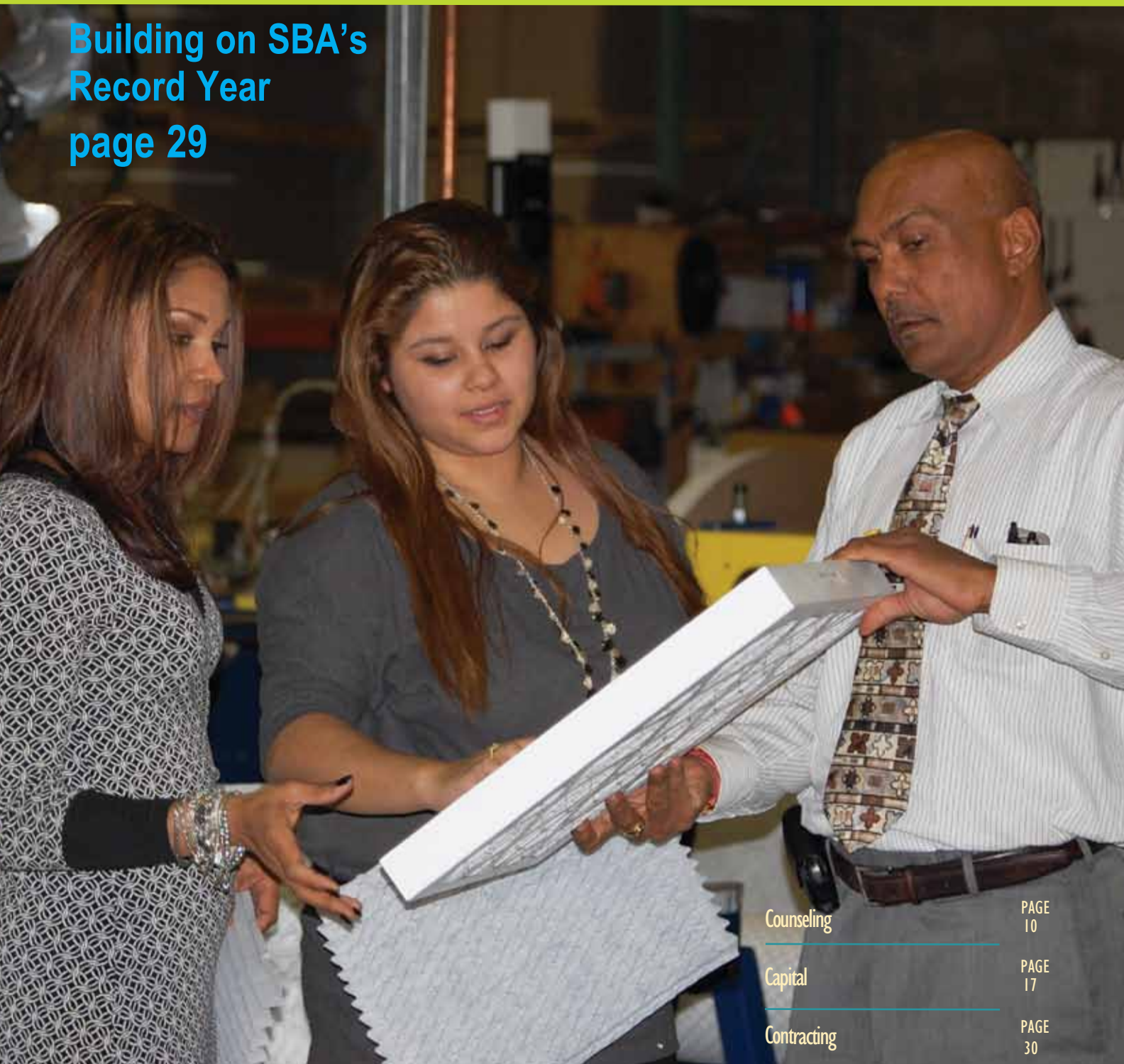


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2012-2013 DELAWARE

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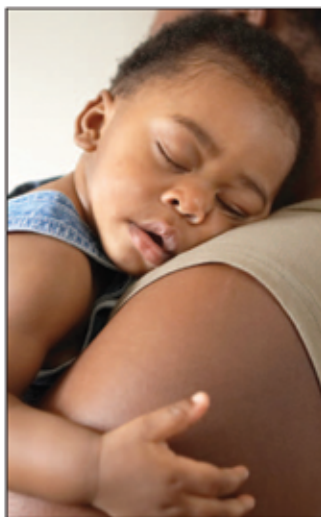
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## FROM THE ADMINISTRATOR



2011 was a record year for the SBA. We helped over 60,000 small businesses secure over \$30 billion in lending through our flagship 7(a) and 504 programs – an all-time record. We also worked with private-sector partners to drive a record

amount of capital (\$2.8 billion) into the hands of over 1,000 high-growth businesses through Small Business Investment Companies.

As we entered 2012, the President signed a six-year extension of the Small Business Innovation Research program which supports small R&D companies that drive innovation and game-changing technologies to keep America on the cutting edge. We also continue to streamline the paperwork on SBA loans in order to help more lending partners and their small-business customers.

You can check out all of these programs in this guide. Also, be sure to take a look at all of the SBA's 2011 accomplishments.

As our economy continues to strengthen in 2012, the Obama Administration is focused on making sure that entrepreneurs and small business owners have the tools they need to grow and create jobs. After all, half of working Americans either own or work for a small business, and two of every three new jobs are created by small businesses.

Finally, check out our online tools. For example, at [www.sba.gov/direct](http://www.sba.gov/direct) you can type in your zip code and a few details about your business, and you'll immediately get connected to SBA resources in your local area.

America's small businesses are gearing up to lead our nation's economic recovery and create the jobs we need now. Please feel free to contact your local SBA office if you have any questions. We stand ready to help in whatever way we can.

Sincerely,

A handwritten signature in dark ink that reads "Karen G. Mills". The signature is fluid and cursive, with the first letters of the first and last names being capitalized.

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

## About the SBA

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

### ***Your Small Business Resource***

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

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

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

- *Counseling*
- *Capital*

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

*Visit SBA online at [www.sba.gov](http://www.sba.gov) for 24/7 access to small business news, information and training for entrepreneurs.*

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





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## FROM THE REGIONAL ADMINISTRATOR



Greetings!

I believe it is our entrepreneurs and small business owners – particularly those in the Mid-Atlantic region – who drive America’s ability to innovate and stay competitive across the globe.

When the President talks about “Winning The Future” he is talking about out-educating, out-building, out-innovating and out-competing the rest of the world – winning the future means supporting small businesses that want to grow and create jobs. As our Administrator Karen Mills has said, it is small businesses that will help us win the future and it’s SBA’s job to put the wind at your backs.

From its very beginning in 1953, the U.S. Small Business Administration has been focused on the important role small businesses play in growing the economy. At SBA we know that two out of every three jobs in America come from small businesses and more than half of all working Americans own or work for a small business.

SBA has many programs and services for business owners and entrepreneurs. The resource guide you’re holding highlights the tools SBA has to help you start or build your business, create jobs, and drive our economy forward. SBA accomplishes its mission through the “three Cs” of Capital, Contracts, and Counseling – and we’re working harder than ever to support you, to connect you, and to make sure you have the tools you need. From the

Affordable Care Act to the American Recovery and Reinvestment Act and the Small Business Jobs Act, we have recently seen the most significant small business legislation in over a decade.

These important legislative steps help small business owners and the hard working people they employ by reducing taxes, encouraging investment, and removing obstacles to growth and led to a record year of SBA lending of more than \$30 billion – when you need capital to expand your business, we can help you get a loan.

SBA can help you as you seize new opportunities and face new challenges. Last year we saw an increase in Government prime contracts awarded to small businesses and if you want to get into government contracting, SBA can help you identify contracts to bid on. If you just want to keep learning and growing, we can find you a counselor or a mentor. Last year more than a million entrepreneurs were counseled by SBA district offices and 14,000 SBA-affiliated counselors.

For more information, visit our newly re-designed and easier to use web-site: [www.sba.gov](http://www.sba.gov), the cornerstone of SBA’s effort to better serve you. Please call us or visit your local district office. We are ready to help!

Warm regards,

**Bridget Bean**  
*Regional Administrator*  
*U.S. Small Business Administration*  
*Region III*



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# Rules For Success

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

The U.S. Small Business Administration (SBA) is committed to help small business owners and potential entrepreneurs succeed. From start-up through expansion, we provide the tools for success. Thank you for this opportunity to introduce you to the U.S. Small Business Administration's 2012-2013 Delaware Small Business Resource Guide — your one-stop for information on financial, procurement and technical assistance programs and services in Delaware.

Small businesses are the backbone of our nation's economy. In fact, America was built on the shoulders of small business. For almost 60 years the SBA has helped entrepreneurs nationwide achieve the American Dream. Companies like Apple, Intel, Federal Express, Nike, Ben & Jerry's, Outback Steakhouse, Black Enterprise Magazine, Staples, Columbia Sportswear, RadioOne, Yankee Candle, Under Armour and Callaway Golf all began with an entrepreneur, a dream and assistance from the SBA. Now it is your turn to discover how the SBA and its resource partners can help you realize your American Dream.

Inside this guide is information on SBA's programs to help small businesses start, grow, become and stay competitive. Our financing typically ranges from \$5,000 to \$5 million, helping you to meet a wider range of small business needs. Many businesses have considered expanding into government contracting as a way to maintain or increase revenues. The Federal government is the largest purchaser of goods and services in the world and has specific goals set to ensure small businesses and various socio-economic groups are represented. You can research these

contracting programs and see which ones may pertain to your business in these pages as well.

Also included is a comprehensive listing of our resource partners which include the Delaware Small Business Technology & Development Center Network (SBTDC), SCORE, the YWCA Delaware Center for Women's Entrepreneurship, as well as financial and technical assistance offered by our microlender, First State Community Loan Fund., many Chambers of Commerce and numerous economic development agencies. Through our resource partners, you can get assistance in developing a viable business plan, obtain financing on competitive terms, or developing a marketing strategy for your product or service in the national and international market place. Working together, we are building Delaware's communities one small business at a time.

Contact us today and find out how we can assist you. Our staff is proud to be in your corner as you start and grow your business. Please do not hesitate to contact the SBA Delaware District Office at 302-573-6294. Additionally, the SBA's Website, [www.sba.gov/de](http://www.sba.gov/de) is a great source for valuable online resources as well as for more information about who we are and what we do.

Best wishes for your small business success!

Sincerely,

**Antonio L. Leta**

District Director of  
SBA's Delaware District Office  
[antonio.leta@sba.gov](mailto:antonio.leta@sba.gov)



## We Welcome Your Questions

For extra copies of this publication or questions please contact:

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Wilmington, DE 19801

Tel: 302-573-6294 Fax: 302-573-6060

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



# Doing Business in Delaware

**2012 Small Business Week Award Winners**  
**Delaware District Office**  
**Small Business Awards:**

## TEN REASONS TO LOVE DELAWARE SMALL BUSINESS

10. Small businesses make up 92.9 percent of all Delaware employers.
9. Small businesses create more than 50 percent of the American nonfarm private gross domestic product (GDP).
8. Small patenting firms produce 13 to 14 times more patents per employee than large patenting firms.
7. The 72,751 small businesses in Delaware are located in every community and neighborhood.
6. Small businesses employ 48.3 percent of Delaware's non-farm private sector workers.
5. Home-based businesses account for 53 percent of all small businesses.
4. Small businesses are 97 percent of America's exports and produce 26 percent of all export value.

3. Delaware saw an estimated 3,270 new small firms with employees start-up in the last year measured.
2. There are approximately 7,400 minority-owned businesses and 15,344 women-owned businesses in Delaware and almost all of them are small businesses.
1. The latest figures show that small business creates 65 percent or more of America's net new jobs.

The 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 and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues.

For more information, visit the Office of Advocacy website at:  
[www.sba.gov/advo](http://www.sba.gov/advo).



**SUCCESS STORY**  
**From Humble Beginnings ...**  
**Delaware 2012 SBA Small Business**  
**Person of the Year**  
**Eliseo Valenzuela,**  
**Cheryl Valenzuela, and Ashley Wolfe**  
**First State Manufacturing, Inc.**  
**301 SE 4th Street**  
**Milford DE 19963**

It began in 1998 with a man, a woman, a sewing machine, and a dream in a Milford, Delaware garage. A humble beginning that today has become First State Manufacturing (FSM), a thriving business employing more than 40 technicians working in a new 66,000 sq. ft. facility funded by a \$650,000 Small Business Administration (SBA) 504 loan.

As an Army communications technician, Eli Valenzuela took a correspondence course on upholstery while serving with the Second Armored Division in Germany. Little did he know that the course would lead to a second career and ownership of a multi-million-dollar business. After his military service, Valenzuela returned to Texas and first worked in civil service upholstering military aircraft and later moved to Delaware, where he secured a position at Dover Air Force Base upholstering the C-5 Galaxy, one of the largest aircraft in the world and the largest airlifter in the Air Force inventory.

Oftentimes, as he discussed his work day with his wife Cheryl, he would think out loud about how much American taxpayers paid for upholstery work contracted out for the C-5, specifically how

### Type of SBA Assistance:

SBTDC, Small Business & Technology Development Center counseling  
 SCORE counseling  
 PTAC assistance  
 SBA Express financing \$20,000 1998 (paid in full)  
 SBA 7(a) financing \$96,500 2001 (paid in full)  
 SBA Disaster Loan financing \$65,800 2002(paid in full)  
 SBA 504 financing \$1.8 million, 2011 (current)  
 SBA 8(a) minority business designation (graduated)  
 SBA Delaware Minority Enterprise Development Awardee 2006  
 SBA Region 3 Minority Enterprise Development Awardee 2006

he knew ways to provide a better product at a better price. Together the husband and wife decided that they should start a business to do just that.

With help from SBA resource partners SCORE and the Small Business Technology and Development Center the Valenzuelas composed a business plan and opened First State Manufacturing in their garage with an old but reliable sewing machine named "Betsy." Rapidly outgrowing the garage, they secured financing through a SBA \$20,000 Express loan and leased space in a 2,000 sq. ft. warehouse.

Providing higher quality at lower costs led to rapid growth and with assistance from their local Procurement Technical Assistance Center (PTAC) they secured more and larger contracts. Earning an SBA 8(a) certification enabled FSM to leverage a number of long-term contracts from 2000 to 2009 as the business expanded to include military and commercial contracts across the country.

Mr. Valenzuela, president, is known for his ability to create, design and manufacture textile products to meet a commercial or defense customer's

### SMALL BUSINESS AWARDS:

**Small Business Person of the Year winner**  
 Eli Valenzuela,  
 Cher Valenzuela,  
 Ashley Wolfe  
 First State Manufacturing, Inc.  
 Milford, DE

**Family-Owned Business of the Year**  
 Thomas Smith,  
 Matthew Smith, and  
 Charles Smith  
 T. S. Smith & Sons, Inc.  
 Bridgeville, DE

**Entrepreneurial Success Award \*\*\***  
 Marty Miller  
 Miller Metal Fabrication  
 Bridgeville, DE

**Veteran Small Business Champion of the Year \*\*\***  
 Nick Callazzo  
 Resource Specialists  
 Townsend, DE

**Women Business Champion of the Year**  
 Marie Mayor,  
 Sharon Harris,  
 Mary Ann Etu  
 Lavender Fields at  
 Warrington Manor, LLC  
 Milton, DE

**Financial Services Champion of the Year**  
 George Mills  
 M&T Bank  
 Wilmington, DE

**Minority Small Business Champion of the Year \*\*\***  
 Lille Crawford  
 Delaware Center for  
 Enterprise Development  
 Dover, DE

**SBA Outstanding Advocacy of Small Business Award**  
 Dr. Shelton Rhodes  
 Delaware State University  
 Dover, DE

### SBA LENDER AWARDS (FY11)

**Top SBA 7(a) Lender – Number of Loans**  
 M&T Bank  
 31 Loans

**Second SBA 7(a) Lender– Number of Loans**  
 Citizens Bank  
 20 loans

**Top SBA 7(a) Lender– Dollar Volume**  
 Wells Fargo Bank  
 \$2.9 Million

**Second Place SBA 7(a) Dollar Volume**  
 M&T Bank  
 \$2.5 million

**Top SBA Certified Development Company – 504 Loans**  
 Delaware Community Development Corp.  
 9 Loans / \$6.1 Million

**Top SBA 3rd Party Lender – 504 Loans**  
 M&T Bank  
 4 Loans / \$6.0 Million

**Second 3rd Party Lender – 504 Loans**  
 Fulton Bank  
 3 Loans / \$5.3 Million

### SBA COUNSELOR AWARDS

**SCORE Counselor of the Year**  
 Frank DeSantis

**SBTDC Counselor of the Year**  
 William Pfaff

**DCWE Counselor of the Year**  
 Bobbie Schmittinger

**\*\*\* Designates the winner of the Mid-Atlantic Regional Award among nominations from PA, MD, DE, WV, VA and DC.**

continued on page 34

# COUNSELING

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



**E**very 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 loans and business management skills. If you're already in business, you can use the SBA's resources to help manage and expand your business, obtain government contracts, recover from disaster, find foreign markets, and make your voice heard in the federal government.

You can access SBA 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, SBA works with a variety of local resource partners to meet your small business needs. These professionals can help with writing a formal business plan, locating sources of financial assistance, managing and expanding your business, finding opportunities to sell your goods or services to the government, and recovering from disaster. To find your local district office or SBA resource partner, visit [www.sba.gov/sba-direct](http://www.sba.gov/sba-direct).

### SCORE

SCORE is a national network of over 14,000 entrepreneurs, business leaders and executives who volunteer as mentors to America's small businesses. SCORE leverages decades of experience from seasoned business professionals to help small businesses start, grow companies and create jobs in local communities. SCORE does this by harnessing the passion and knowledge of individuals who have owned and managed their own businesses and want to share this "real world" expertise with you.

Found in more than 370 offices and 800 locations throughout the country, SCORE provides key services – both face-to-face and online – to busy entrepreneurs who are just getting started or in need of a seasoned business professional as a sounding board for their existing business. As members of your community, SCORE mentors understand local business licensing rules, economic conditions and important networks. SCORE can help you as they have done for more than 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 nearly 7,000 local business training workshops and seminars ranging in topic and scope depending on the needs of the local business community such as offering an introduction to the fundamentals of a business plan, managing cash flow and marketing your business. For established businesses, SCORE offers more in-depth training in areas like customer service, hiring practices and home-based businesses.

For around-the-clock business advice and information on the latest trends go to the SCORE website ([www.score.org](http://www.score.org)). More than 1,500 online mentors with over 800 business skill sets answer your questions about starting and running a business. In fiscal year 2011, SCORE mentors served 400,000 entrepreneurs.

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

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[www.scoredelaware.org](http://www.scoredelaware.org)

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Seaford, DE 19973  
302-536-1382

#### Kent County Branch

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Terry Campus, Rte. 13  
Dover, DE  
302-661-2366

### 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.



## SMALL BUSINESS AND TECHNOLOGY DEVELOPMENT CENTERS

The U.S. Small Business Administration's Small Business and Technology Development Center (SBTDC) program's mission is to build, sustain, and promote small business development and enhance local economies by creating businesses and jobs. This is accomplished by the provision and ensuing oversight of grants to colleges, universities and state governments so that they may provide business advice and training to existing and potential small businesses.

The Small Business and Technology Development Center program, vital to SBA's entrepreneurial outreach, has 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, SBTDCs offer free one-on-one expert business advice and low-cost training by qualified small business professionals to existing and future entrepreneurs.

In addition to its core services, the SBTDC program offers 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 mix 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 during 2011:

- Assisted more than 13,660 entrepreneurs to start new businesses – equating to 37 new business starts per day.
- Provided counseling services to over 106,000 emerging entrepreneurs and nearly 100,000 existing businesses.
- Provided training services to approximately 353,000 clients.

The efficacy of the SBTDC 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 SBTDC counselor was worthwhile. Similarly, more than 50 percent reported that SBTDC guidance was beneficial in making the decision to start a business. More than 40 percent of long-term clients, those receiving 5

hours or more of counseling, reported an increase in sales and 38 percent reported an increase in profit margins.

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

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800-222-2279 Toll Free  
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Procurement Technical Assistance Center (PTAC)  
One Innovation Way, Ste. 301  
Newark, DE 19711  
302-831-1555 • 302-831-1423 Fax  
[www.dsbtcd.org](http://www.dsbtcd.org)  
[www.delawarecontracts.com](http://www.delawarecontracts.com)

### Kent County Center

Delaware State University  
Small Business & Technology Development Center  
MBNA Bldg., Ste. 108  
1200 N. Dupont Hwy.  
Dover, DE 19901  
302-678-1555 • 302-857-6950 Fax  
[www.dsbtcd.org](http://www.dsbtcd.org)

### Sussex County Center

University of Delaware  
Small Business & Technology Development Center  
103 W. Pine St.  
Georgetown, DE 19947  
302-856-1555 • 302-854-6979 Fax  
[www.dsbtcd.org](http://www.dsbtcd.org)

## WOMEN'S BUSINESS CENTERS

The SBA's Women Business Center (WBC) program is a network of 110 community-based centers which provide business training, 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 and are partially funded through a cooperative agreement with the SBA.

# Delaware's Bank.

Always has been. Always will be.

WSFS Bank is the oldest, locally-managed, independent bank and trust company headquartered in Delaware. WSFS can service all of your needs—lending, deposits, and investments—for both consumers and businesses and is the largest ATM provider in this market. WSFS has served this community for over 180 years.

*We Stand For Service®* is who we are and we live by it everyday.

**WSFS<sup>®</sup>bank**  
*We Stand For Service®*

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

1-888-WSFSBANK

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

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

While most WBCs are physically located in one designated location, a number of WBCs also provide courses and counseling via the Internet, mobile classrooms and satellite locations.

WBCs have a track record of success. In fiscal year 2011, the WBC program counseled and trained nearly 139,000 clients, creating local economic growth and vitality. In addition, WBCs helped entrepreneurs access more than \$134 million dollars in capital, representing a 400% increase from the previous year. Of the WBC clients that have received 3 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).

### Delaware Center for Women's Entrepreneurship

As an SBA Women's Business Center, the YWCA Delaware Center for Women's Entrepreneurship (DCWE) supports start-up and existing small businesses owned or controlled by women, by providing training and advisory services in business planning, management, and growth strategy in a supportive and empowering environment. DCWE offers services that include the following:

### FOR START-UPS & MICRO BUSINESSES:

**Business Assessment Basics** – a one evening workshop to ascertain the feasibility and readiness to start your business.

**Business Plan Development Series** – an eight to 10-week business plan course designed to help participants determine the viability of the business or the business concept, resulting in a bank-ready business plan. Includes 8 hours of one-on-one counseling after the series.

**Business Basics/DCWEdge** – ongoing workshops in marketing, business management, and finance.

**GROWTH BUSINESSES** (in business three years or more):

**Advanced Business Planning** – individual counseling to elevate businesses to the next level.

**Advanced Business Workshops** – expert speakers on topics such as professional development, business management, marketing, and procurement.

#### Advisory Services:

- Individual counseling services in-person or by telephone
- Roundtable seminars and networking events

The facility also includes a computer lab with free internet access, a resource library, and ample training and meeting space.

To find out more information on DCWE's programs and services:

#### Delaware Center for Women's Entrepreneurship

YWCA Delaware  
The Robscott Bldg.  
153 E. Chestnut Hill Rd., Ste. 102  
Newark, DE 19713  
302-224-4060 ext. 216  
302-224-4057 Fax  
For more information, visit the web site at [www.ywca.org/dcwe](http://www.ywca.org/dcwe)  
Deborah Bromiley, Director  
[dbromiley@ywcade.org](mailto:dbromiley@ywcade.org)

### EMERGING LEADERS (e200) INITIATIVE

SBA's Emerging Leaders (e200) Initiative is currently hosted in 27 markets across the country using a nationally demonstrated research-based curriculum that supports the growth and development of small to medium-sized 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, social and economic impact results from responding executives who participated in the 2008 – 2010 training classes indicate:

- More than half of participating businesses reported an increase in revenue, with an average revenue of \$1,879,266.
- Participating businesses averaged \$2 million in revenue, with new cumulative financing of \$7.2 million secured in 2010.
- Nearly half of the participants secured federal, state, local and tribal contracts with a cumulative total of \$287 million.
- Approximately half of the participants have hired new workers, creating 275 new jobs in 2010.
- All participants were trained on becoming SBA 8(a) certified firms; nearly 25 percent of respondents are currently certified as SBA 8(a) firms, while other participants reported a focused intention on applying to the 8(a) program.
- Nearly 50 percent of participating respondents were female executives and 70 percent were minority business executives.
- 85 percent of responding executives were Satisfied or Very Satisfied with the overall training series and results.

To find out more about this executive-level training opportunity, please visit [www.sba.gov/e200](http://www.sba.gov/e200) for host cities, training schedules, and selection criteria.

### SBA'S ONLINE TOOLS AND TRAINING

SBA's Small Business Training Network is a virtual campus complete with free online courses, workshops, podcasts, learning tools and business-readiness assessments.

#### Key Features of the Small Business Training Network:

Training is available anytime and anywhere — all you need is a computer 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 a financial primer keyed around SBA's loan-guarantee programs, a course on exporting, and courses for veterans and women seeking federal contracting opportunities, as well as an online library of podcasts, business publications, templates and articles.

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



# REACHING UNDERSERVED COMMUNITIES

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 five percent of the nation's businesses.

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

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

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

## CENTER FOR FAITH-BASED AND NEIGHBORHOOD PARTNERSHIPS

Faith-Based and Neighborhood Partnerships know their communities, and they have earned the communities trust. Because of their credibility, they are uniquely positioned to build awareness of programs that encourage entrepreneurship, economic growth and job creation.

SBA is committed to reaching out to faith-based and community organizations that are eligible to participate in the agency's programs by informing their congregants, members and neighbors about SBA's programs. In particular, many 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 find access to capital.

## VETERANS AND RESERVISTS BUSINESS DEVELOPMENT

Veterans, service-disabled veterans and Reserve and National Guard member entrepreneurs receive special consideration in all of SBA's entrepreneurial programs and resources. Each year, the Office of Veterans Business Development (OVBD) reaches thousands of veterans, Reserve Component members, transitioning service members and others who are – or who want to become – entrepreneurs and small business owners. OVBD develops and distributes informational materials for entrepreneurship such as the Veterans Business Resource Guide, VETGazette, and Getting Veterans Back to Work. In addition, there are 16 Veterans Business Outreach Centers strategically located throughout the country that provide both online and in-person training, counseling, mentoring, workshops, referrals, and more. Each of the SBA's 68 District Offices also has a designated veteran's business development officer.

The SBA offers special assistance for small businesses owned by activated Reserve and National Guard members. Any self-employed Reserve or Guard member with an existing SBA loan can request from their SBA lender or SBA district office loan payment deferrals, interest rate reductions and other relief after they receive their activation orders. 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.

Among the SBA's unique services for veterans are: an Entrepreneurship Boot Camp for Veterans with Disabilities in partnership with 6 top U.S. universities ([www.whitman.syr.edu/ebv](http://www.whitman.syr.edu/ebv)), a program to reach women veteran-entrepreneurs ([www.syr.edu/vwise](http://www.syr.edu/vwise)), and a program for Reserve Component family members called Operation Endure and Grow ([www.whitman.syr.edu/endureandgrow](http://www.whitman.syr.edu/endureandgrow)).

For more information about small business lending programs for veteran business owners and Reserve or Guard members who are activated, including Patriot Express, microloans, and Advantage loans, see the section on Access to Capital. To learn more about the Veterans Business Outreach program or find the nearest SBA VBOC, visit [www.sba.gov/vets](http://www.sba.gov/vets).

### Veterans Business Resources

#### Delaware Army National Guard

First Regiment Rd.  
Wilmington, DE 19808  
302-326-7025 • 302-326-7061 Fax  
[www.delawarenationalguard.com](http://www.delawarenationalguard.com)

#### Delaware Commission of Veterans Affairs

Robbins Bldg.  
802 Silver Lake Blvd., Ste. 100  
Dover, DE 19904  
Antonio "Tony" Davila, Executive Director  
302-739-2792 • 302-739-2794 Fax  
[Antonio.davila@state.de.us](mailto:Antonio.davila@state.de.us)  
[www.state.de.us/veteran](http://www.state.de.us/veteran)

#### Delaware Department of Labor

Veterans Employment and Training Service  
Stacey Laing, Director  
4425 N. Market St.  
Wilmington, DE 19801  
302-761-8132 • 302-761-4676 Fax  
[Stacey.laing@state.de.us](mailto:Stacey.laing@state.de.us)  
[www.delawareworks.com](http://www.delawareworks.com)

#### Delaware Employer Support of the Guard and Reserve

103 Artisan Dr.  
Smyrna, DE 19977  
Contact: Christine Kubik, Program Spec.  
302-326-7582  
[christinekubik@us.army.mil](mailto:christinekubik@us.army.mil)

# REACHING UNDERSERVED COMMUNITIES

## Division of Employment and Training Veteran's Program

1114 S. Dupont Hwy., Ste. 104  
Dover, DE 19901  
Cliff Rumph  
302-739-5473 • 302-739-6485 Fax  
cliff.rumph@state.de.us  
www.delawareworks.com/emptrain/welcome.shtml

## Disabled Veteran's Representative

Kevin Gunning  
302-739-5473 • 302-739-6485 Fax  
Kevin.gunning@state.de.us

## Dover Air Force Base

Airman and Family Transition Assistance and Family Member  
436 MSS/DPF/263 Chad St., 1st Fl.  
Dover AFB, DE 19902  
302-677-6930 • 302-677-6961 Fax  
Patricia Edwards  
patricia.edwards@dover.af.mil

## National Veteran-Owned Business Association (NaVOBA)

c/o Vetpreneur  
429 Mill St.  
Corapolis, PA 15108  
412-424-0164 • 412-291-2772 Fax  
cs@navoba.com  
www.navoba.com  
NAVOBA Delaware Contact:  
Dave Skocik, MA, APR  
141 Springfield Way  
Dover, Delaware 19904-9118  
302-270-7145 Cell or 302-736-8500 Office  
302-736-3572 Fax  
info@davidskocik.com

## The Center for Veterans Enterprise

U.S. Department of Veterans Affairs  
810 Vermont Ave. N.W.  
Washington, DC 20420  
202-303-3260 or 866-584-2344  
202-254-0238 Fax  
vacve@va.gov  
www.vetbiz.gov

## U.S. Department of Labor

Veterans Employment and Training  
4425 N. Market St., The Annex, Rm. 108  
Wilmington, DE 19809  
302-761-8139 or 302-761-8138  
302-761-4676 Fax  
David B Rich, Director

## U.S. Department of Veterans Affairs

Office of Small and Disadvantaged Business Utilization  
810 Vermont Ave. N.W.  
Washington, DC 20420  
202-461-4300 or 800-949-8387  
202-461-4301 Fax  
OSDBU@mail.va.gov  
www.va.gov/OSDBU

## U.S. Department of Veterans Affairs

VA Medical and Regional Office Center  
1601 Kirkwood Hwy.  
Wilmington, DE 19805  
800-827-1000 (ask for Delaware)  
302-994-2511  
www.va.gov

## Veteran Business Outreach Center

The Wharton School, University of Pennsylvania  
3819-33 Chestnut St., Ste. 325  
Philadelphia, PA 19104  
877-699-8262 • 215-573-2135 Fax  
www.vetbizmidatlantic.org

## 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. ONAA provides a network of training (including the online tool "Small Business Primer: Strategies for Growth") and counseling services and engages in numerous outreach activities, such as tribal consultations, development and distribution of educational materials, attendance and participation in economic development events and assisting these small businesses with SBA programs.

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

## ARE YOU RIGHT FOR SMALL BUSINESS OWNERSHIP?

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

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

## IS ENTREPRENEURSHIP FOR YOU?

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.



## ARE YOU RIGHT FOR SMALL BUSINESS OWNERSHIP?

- **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 those 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.

#### SBA Delaware District Office

1007 N. Orange St.,  
The Nemours Bldg., Ste. 1120  
Wilmington, DE 19801-1239  
302-573-6294 • 302-573-6060 Fax

#### American Association of Franchisees and Dealers

P.O. Box 81887  
San Diego, CA 92138-1887  
866-855-1988 • 619-209-3775 Fax  
Benefits@AAFD.org  
[www.aafd.org](http://www.aafd.org)

#### FranchiseForSale.com

Morgan Falls Office Park  
7840 Roswell Rd., Bldg. 100, Ste. 210  
Atlanta, GA 30350  
888-363-3390  
Info@franchiseforsale.com  
[www.franchiseforsale.com](http://www.franchiseforsale.com)

#### FranNet LLC

1509 Pownall Dr.  
Yardley, PA 19067  
215-321-3398 or 267-981-6347 Cell  
sbuch@frannet.com  
[www.frannet.com](http://www.frannet.com)

#### International Franchise Association

1501 K. St. N.W., Ste. 350  
Washington, DC 20005-4709  
202-628-8000 • 202-628-0812 Fax  
ifa@franchise.org  
[www.franchise.org](http://www.franchise.org)

#### VetFran

U.S. Dept. of Veterans Affairs  
Center for Veterans Enterprise  
810 Vermont Ave. N.W.  
Washington, DC 20420  
202-303-3260 or 866-584-2344  
202-254-0238 Fax  
vacve@va.gov  
[www.vetbiz.gov](http://www.vetbiz.gov)

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

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



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

Creating a comprehensive business plan can be a long process, and you need good advice. The SBA and its resource partners, including Small Business Development Centers, Women's Business Centers, Veterans Business Outreach Centers, and SCORE, have the expertise to help you craft a winning business plan. 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, and issues pertinent to your business.
- Account for the equipment necessary to produce your goods or services.
- Account for production and delivery of products and services.

## Concluding Statement

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

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





# CAPITAL

## Financing Options to Start or Grow Your Business



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

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

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

### 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. Keep in mind the dollar amount you seek to borrow and how you want to use the loan proceeds. The three principal players in most of these programs are the applicant small business, the lender and

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

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

### 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 loan proceed uses, 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 from the agency, but rather from banks and other approved lenders. The loans are funded by these organizations, and they make the decisions to approve or not approve the applicants' requests.

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

To qualify for an SBA 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 unless it can obtain an SBA guaranty. If the SBA is going to provide a lender with a guaranty, the applicant must be eligible and creditworthy and the loan structured under conditions acceptable to SBA.

### Percentage of Guaranties and Loan Maximums

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

The maximum 7(a) loan amount is \$5 million. (Loans made under the SBAExpress program, which is discussed later in this section, have a 50 percent guaranty.)

### Interest Rates and Fees

The actual interest rate for a 7(a) loan guaranteed by SBA is negotiated between the applicant and lender and subject to SBA maximums. Both fixed and variable interest rate structures

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

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

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

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

### 7(a) Loan Maturities

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

### Structure

Most 7(a) loans are repaid with monthly payments of principal and interest. For fixed-rate loans the payments stay the same, whereas for variable rate loans the lender can re-establish the payment amount

## What To Take To The Lender

Documentation requirements may vary; 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

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

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

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

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

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

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

### What the SBA Looks for:

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

when the interest rates change or at other intervals, as negotiated with the borrower. Applicants can request that the lender establish the loan with interest-only payments during the start-up and expansion phases (when eligible) to allow the business time to generate income before it starts making full loan payments. Balloon payments or call provisions are not allowed on any 7(a) loan. The lender may not charge a prepayment penalty if the loan is paid off before maturity, but the SBA will charge the borrower a prepayment fee if the loan has a maturity of 15 or more years and is pre-paid during the first three years.

### Collateral

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

### Eligibility

7(a) loan eligibility is based on four different factors. The first is size, as all loan recipients must be classified as "small" by 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 sexual nature, businesses

involved in gambling and any illegal activity.

The SBA also cannot 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;



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A90612-419



fixtures; supplies; make leasehold improvements; as well as land and/or buildings that will be occupied by the business borrower.

#### Proceeds can also be used to:

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

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

#### Miscellaneous Factors

The fourth factor involves a variety of requirements such as SBA's credit elsewhere test and utilization of personal assets requirements, where the business and its principal owners must use their own resources before getting a loan guaranteed by SBA. It also includes 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 SBA's lending programs. The agency has created several variations to the basic 7(a) program to address the particular financing need of certain small businesses. These special purpose programs are not necessarily for all businesses but may be very useful to some small businesses. They are generally governed by the same rules, regulations, fees, interest rates, etc. as the regular 7(a) loan guaranty. Lenders can advise you of any variations.

### 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 selected, experienced lenders to use mostly their own forms, analysis and procedures to process, service and liquidate SBA-guaranteed loans. The SBA guarantees up to 50 percent of an 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.

#### SBA Delaware District Office

1007 N. Orange St., Ste. 1120  
Wilmington, DE 19801-1239  
302-573-6294 • 302-573-6060 Fax

### Patriot Express and Other Lending Programs For Veterans

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

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

The Patriot Express loan is offered by SBA's 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, whichever comes first.

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 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 their activation orders. The SBA also offers special low-interest-rate financing of up to \$2 million when an owner or essential employee is called to active duty through the Military Reservist Economic Injury Disaster Loan program (MREIDL) to help cover operating costs due to the loss of an essential employee called to active duty.

### Rural Lender Advantage

The Small/Rural Lender Advantage (S/RLA) initiative is designed to accommodate the unique loan processing needs of small community/rural-based lenders by simplifying and streamlining loan application process and procedures, particularly for smaller SBA loans. It is part of a broader SBA initiative to promote the economic development of local communities, particularly those facing the challenges of population loss, economic dislocation, and high unemployment. Visit [www.sba.gov/content/rural-business-loans](http://www.sba.gov/content/rural-business-loans) for more information.

### Advantage Loans

In early 2011, SBA rolled out two Advantage loan initiatives aimed at helping entrepreneurs and small business owners in underserved communities gain access to capital. Both offer a streamlined loan application process and the regular 7(a) loan guarantee for loans under \$350,000.

The **Small Loan Advantage** program is available to all lenders.

The key features of the revised and expanded SLA are as follows:

- An increase in the maximum loan size from \$250,000 to \$350,000;
- Expansion to all SBA participating lenders;
- All SLA loan applications will be credit-scored by SBA prior to loan approval (or issuance of a loan number for applications submitted by PLP lenders);
- Change in forms from the SRLA forms (SBA Forms 2301 Parts A, B and C) and the PLP Eligibility Checklist (SBA Form 7) to the forms used in the SBA Express and Pilot Loan Programs (SBA Forms 1919 and 1920 Parts B and C);

- All SLA loan applications will continue to be submitted electronically;
- Lenders will continue to have the option of using their own notes and guaranty forms, rather than SBA Forms 147, 148 and 148L;

In closing and disbursing SLA loans, lenders will follow the same closing and disbursement procedures and documentation as it uses for its similarly-sized non-SBA guaranteed commercial loans

The **Community Advantage pilot program** opens up 7(a) lending to mission-focused, community-based lenders – such as Community Development Financial Institutions (CDFIs), Certified Development Companies (CDCs), and microlenders – who provide technical assistance and economic development support in underserved markets. Loan amount maximum is \$250,000.

More information on both programs is available at [www.sba.gov/advantage](http://www.sba.gov/advantage).

## CAPLines

The CAPLines program 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. 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 ten 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 also may have a maturity of up to five years. The business may not

have another seasonal line of credit outstanding but may have other lines for non-seasonal working capital needs.

- **The Builders Line Program** provides financing for small contractors or developers to construct or rehabilitate residential or commercial property. Loan maturity is generally three years but can be extended up to five years, if necessary, to facilitate sale of the property. Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. The purchase of the land can be included if it does not exceed 20 percent of the loan proceeds. Up to 5 percent of the proceeds can be used for physical improvements that benefit the property.
- **The Working Capital Line** 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. 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 two percent annually to the borrower.

## International Trade Loan Program

The SBA's International Trade Loan (ITL) provides small businesses with enhanced export financing options for their export transactions. It 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.

## International Business Assistance

### Delaware Department of Agriculture

2320 S. Dupont Hwy.  
Dover, DE 19901  
800-282-8685 or 302-698-4500  
302-697-6287 Fax  
Mark Davis, Executive Assistant  
[mark.davis@state.de.us](mailto:mark.davis@state.de.us)  
<http://dda.delaware.gov>

## Delaware Office of Management & Budget

820 N. French St.  
Wilmington, DE 19801  
302-577-8464 • 302-577-1176 Fax  
John Pastor, International Trade Director  
[John.Pastor@state.de.us](mailto:John.Pastor@state.de.us)  
[www.itc.omb.delaware.gov](http://www.itc.omb.delaware.gov)

## Port of Wilmington

1 Hausel Rd.  
Wilmington, DE 19801  
302-472-PORT • 302-472-7740 Fax  
Gene Bailey, Executive Director  
[gbailey@port.state.de.us](mailto:gbailey@port.state.de.us)  
[www.portofwilmingtonde.com](http://www.portofwilmingtonde.com)

## U.S. Council for International Business

ATA Carnet HQ  
1212 Avenue of the Americas  
New York, NY 10036  
866-786-5625  
[atacarnet@uscib.org](mailto:atacarnet@uscib.org)  
[www.merchandisepassport.org](http://www.merchandisepassport.org)

## U.S. Export Assistance Center

601 Walnut St., Ste. 580 W.  
Philadelphia, PA 19106  
215-597-6110 • 215-597-6123 Fax  
Robert Elsas, SBA Contact  
[robert.elsas@trade.gov](mailto:robert.elsas@trade.gov)  
[www.sba.gov/international](http://www.sba.gov/international)  
[www.buyusa.gov/philadelphia](http://www.buyusa.gov/philadelphia)

## U.S. Commercial Service

U.S. Department of Commerce  
215-597-7141 • 215-597-6123 Fax  
Tony Ceballos, Director  
[antonio.ceballos@trade.gov](mailto:antonio.ceballos@trade.gov)

## World Trade Center Institute Delaware

702 West St.  
Wilmington, DE 19801  
302-656-7905 • 302-656-7956 Fax  
Rebecca Faber, Executive Director  
[info@wtcd.com](mailto:info@wtcd.com)  
[www.wtcd.com](http://www.wtcd.com)

## 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 \$4 million. Additionally, any other working capital SBA loans the borrower has are counted against the \$4 million guaranty limit.

## 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.

- Working capital is an allowable use of proceeds under the ITL.
- Proceeds may be used for the refinancing of debt structured with unreasonable terms and conditions, including any debt that qualifies for refinancing under the standard SBA 7(a) Loan Program.

### Loan Term

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

### Interest Rates

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

### Exporter Eligibility

- Applicants must meet the same eligibility requirements as for the SBA's standard 7(a) Loan Program.
- Applicants must also establish that the loan will allow the business to expand or develop an export market or, demonstrate that the business has been adversely affected by import competition and that the ITL will allow the business to improve its competitive position.

### 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 exporter wanting to qualify as adversely impacted from import competition must submit supporting documentation that explains that impact, and a plan with projections that explains how the loan will improve the business' competitive position.

### Export Express

SBA Export Express offers flexibility and ease of use to 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 SBA loans (except as noted below).

### Guaranty Coverage

The SBA provides lenders with a 90 percent guaranty on loans up to \$350,000 and a 75 percent guaranty on loans more than \$350,000 up to the maximum of \$500,000.

### 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.

### 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.

### 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 Express lender. Lenders that participate in SBA's Express program are also able to make Export Express loans. Application is made directly to the lender. Lenders use their own application material in addition to SBA's Borrower Information Form. Lenders' approved requests are then submitted with a limited amount of eligibility information to SBA's National Loan Processing Center for review.

### 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.

### 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.

### 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.



## 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 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

The export-related inventory and the receivables generated by the export sales financed with EWCP funds will be considered adequate collateral. The SBA requires the personal guarantee of owners with 20 percent or more ownership.

## How to apply

Application is made directly to SBA-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.

## U.S. Export Assistance Center

There are 20 U.S. Export Assistance Centers located throughout the U.S. They are staffed by SBA, U.S. Department of Commerce and Export-Import Bank of the U.S. personnel, and 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.

## U.S. Export Assistance Center

601 Walnut St., Ste. 580 W.  
Philadelphia, PA 19106  
215-597-6110 • 202-481-5216 Fax  
Robert Elsas, SBA Contact  
[robert.elsas@trade.gov](mailto:robert.elsas@trade.gov)  
[www.sba.gov/international](http://www.sba.gov/international)  
[www.buyusa.gov/philadelphia](http://www.buyusa.gov/philadelphia)

## CERTIFIED DEVELOPMENT COMPANY LOAN PROGRAM (504 LOANS)

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

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

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

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

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

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

- Eligible project costs are limited to long-term, fixed assets such as land and building (occupied by the borrower) and substantial machinery and equipment. Working capital is not an eligible use of proceeds, except in a temporary program which is scheduled to expire on September 27, 2012.
- Most borrowers are required to make an injection (borrower contribution) of just 10 percent which allows the business to conserve valuable operating capital. A further injection of 5 percent is needed if the business is a start-up or new (less than 2 years old), and a further injection of 5 percent is also required if the primary

collateral will be a single purpose building (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. SBA guarantees the debenture 100 percent. Debentures are sold in pools monthly to private investors. This low, fixed rate is then passed on to the borrower and establishes the basis for the loan rate.
- All project-related costs can be financed, including acquisition (land and building, land and construction of building, renovations, machinery and equipment) and soft costs, such as title insurance and appraisals. Some closing costs may be financed.
- Collateral is typically a subordinate lien on the assets financed; allows other assets to be free of liens and available to secure other needed financing.
- Long-term real estate loans are up to 20-year term, heavy equipment 10 - or 20-year term and are self-amortizing.

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

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

The SBA's 504 certified development companies serve their communities by financing business expansion needs. Their professional staffs work directly with borrowers to tailor a financing package that meets program guidelines and the credit capacity of the borrower's business. For information, visit

[www.sba.gov/504](http://www.sba.gov/504).

### **Chesapeake Business Finance Corporation Washington, DC Office:**

1101 30th St. N.W., Ste. 500  
Washington, DC 20007  
800-453-0262 or 202-342-2973  
202-342-0389 Fax  
John Sower, President  
[Sower1@erols.com](mailto:Sower1@erols.com)  
[www.chesapeake504.com](http://www.chesapeake504.com)  
Area of operation: Kent and Sussex Counties

### **Maryland Office:**

4606 Wedgewood Blvd.  
Frederick, MD 21703  
301-668-1844 • 301-668-1845 Fax  
Michael Schwartz, Advisor  
[www.chesapeake504.com](http://www.chesapeake504.com)  
Area of operation: Kent and Sussex Counties

### Delaware Community Development Corporation

Community Services Bldg.  
100 W. 10th St., Ste. 706  
Wilmington, DE 19801  
302-571-9088 • 302-652-5679 Fax  
Bill Abernathy, Executive Director  
ybumpers@wedco.org  
www.wedco.org  
Areas of operation: New Castle, Kent and Sussex Counties

### DelVal Business Finance Corporation

6100 City Line Ave., Ste. P-218  
Philadelphia, PA 19131  
215-871-3770 • 215-871-3776 Fax  
Michael A. Schwartz, President  
mschwartz@delval504.com  
www.delval504.com  
Area of operation: New Castle County

### Mid-Atlantic Business Finance Company

1410 N. Crain Hwy., Ste. 5B  
Glen Burnie, MD 21061  
800-730-0017 or 410-863-1600  
410-863-7446 Fax  
Tony Hamelett, President  
inquiries@mabfc.com  
www.mabfc.com  
Areas of operation: Kent & Sussex Counties

## MICROLOAN PROGRAM

The Microloan program provides small loans ranging from under \$500 to \$50,000 to women, low-income, minority, veteran, and other small business owners through a network of approximately 160 intermediaries nationwide. Under this program, the SBA makes funds available to nonprofit intermediaries that, in turn, make the small loans directly to entrepreneurs, including veterans. Proceeds can be used for typical business purposes such as working capital, or the purchase of furniture, fixtures, machinery, supplies, equipment, and inventory. Microloans may not be used for the purchase of real estate. Interest rates are negotiated between the borrower and the intermediary. The maximum term for a microloan is 7 years.

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

### First State Community Loan Fund

Community Services Bldg.  
100 W. 10th St., Ste. 1005  
Wilmington, DE 19801  
800-652-4779 or 302-652-6774  
302-656-1272 Fax  
Vandell Hampton Jr., Executive Director  
fscif@firststateloan.org  
www.firststateloan.org  
Area of operation: New Castle, Kent and Sussex Counties

## SMALL BUSINESS INVESTMENT COMPANY PROGRAM

There are a variety of alternatives to bank financing for small businesses. The Small Business Investment Company (SBIC) program fills the gap between what owners can fund directly and the needs of the small business for growth capital. Licensed and regulated by the SBA, SBICs are privately owned and managed investment funds that make capital available to qualifying U.S. small businesses. The funds raise private capital and can receive SBA-guaranteed leverage up to 3x 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).

### Inflection Point Ventures II, L.P.

Jeffrey A. Davison  
One Innovation Way, Ste. 302  
Newark, DE 19711  
302-452-1120 • 302-452-1122 Fax  
jdavison@inflectpoint.com  
www.inflectpoint.com

### Innovation Ventures, L.P.

Three Mill Rd., Ste. 201  
Wilmington, DE 19806  
302-777-1616 • 302-777-1620 Fax  
David J. Freschman, President  
djf@innovationventures.com  
www.innovationventures.com

### GIV Venture Partners, L.P.

William Melton  
Radnor Financial Center  
150 N. Radnor-Chester Rd.  
Radnor, PA 19087  
484-823-8008 • 302-239-9322 Fax  
admin@givinc.com  
www.givventurepartners.com

### Edison Fund IV, LP and Edison Fund V, LP

1009 Lenox Dr., #4  
Lawrenceville, NJ 08648  
609-896-1900 • 609-896-0066 Fax  
Ross Martinson, Partner  
rmartinson@edisonventures.com  
www.edisonventure.com

### Patriot Capital II, L.P.

509 S. Exeter St., Ste. 210  
Baltimore, MD 21202  
Chris Ruyston  
443-573-3013 • 443-573-3020 Fax  
www.patriot-capital.com

## SMALL BUSINESS INNOVATION RESEARCH PROGRAM

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

### SBIR Requirements

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

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

For more information on the SBIR program visit [www.sba.gov/sbir](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: Departments of Agriculture; Commerce; Defense; Education; Energy; Health and Human Services; Homeland Security; Transportation; Environmental Protection Agency; National Aeronautics and Space Administration; and National Science Foundation.

## U.S. Small Business Administration

Office of Technology  
409 Third St. S.W., 8th Fl.  
Washington, DC 20416  
202-205-6450

## Small Business Technology & Development Center

One Innovation Way, Ste. 300  
Newark DE 19711  
Gary Simon, Business Analyst  
302-831-0772 • simong@udel.edu

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

## STTR Requirements

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

- Be 51 percent owned and controlled by one or more individuals who are U.S. citizens or permanent resident aliens in the U.S.
- Be for-profit.
- Principal researcher need not be employed by the small business.
- Company size cannot exceed 500 employees. (No size limit for nonprofit research institution).

**The nonprofit research institution partner must also meet certain eligibility criteria:**

- Be located in the United States and be one of the following:
  - Nonprofit college or university.
  - Domestic nonprofit research organization.
  - Federally funded R&D center.

## Participating Agencies

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

# 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 all 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 \$2 million. The SBA reimburses sureties between 70 and 90 percent of losses sustained if a contractor defaults on the contract.

The SBA has two program options available, the Prior Approval Program (Plan A) and the Preferred Surety Bond Program (Plan B). In the Prior Approval Program, SBA guarantees 90 percent of 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 Plan A Program receive an 80 percent guarantee. Sureties must obtain SBA's prior approval for each bond guarantee issued. Under Plan B, SBA guarantees 70 percent, but sureties may issue, monitor and service bonds without SBA's prior approval.

## SBA Delaware District Office

1007 N. Orange St., Ste. 1120  
Wilmington, DE 19801-1239  
302-573-6294 • 302-573-6060 Fax





# TIPS FOR INTERACTING WITH YOUR CUSTOMERS

## SOCIAL MEDIA AN ESSENTIAL PART OF YOUR MARKETING TOOLKIT

Social media marketing is a great tool for engaging with customers, building your company's brand, and increasing your business reach. However, many small business owners make the mistake of using social media tools such as Twitter and Facebook for simply pushing their messages out. They miss a key communications and marketing opportunity by not listening to or joining in the conversations that are going on. In other words, they ignore the fundamental point of social media - being SOCIAL!

Just being on Twitter or Facebook is not enough. It takes time and effort to build a strong social media presence. When it comes to growing your social media presence and seeing a return on your investment it is easier said than done.

*Here are three hands-on tactics that you can use.*

### 1. Determine Where Your Customers are Online and How you Can Reach Them

- a. When considering social media as part of your overall marketing strategy, always start with asking the most basic questions:
  - What is it you want to achieve?
  - Where is your audience and will they respond?

b. Next, make sure your target audience is on Twitter, Facebook or whatever social network you are considering, or you may spend a lot of time on a channel that won't reach your target. You can do this in several ways:

- Survey your customers.
- Assess what your competition is doing.
- Get involved with social networks on a personal level by exploring communities and Facebook fan pages.
- Research trends in Twitter topics and try to build a picture of what your target market is doing and sharing on social networks.

c. And don't forget that while these tools are free, your investment in them isn't. It takes staff time and resources to use social media successfully.

### 2. Use Twitter to Engage and Entice

- a. Instead of simply Tweeting for Tweeting's sake, focus on making your Twitter strategy a rich and interactive experience. For example, use Tweets to start discussions on your products, special offers and events. Engage with followers by responding to mentions about your business; addressing their questions and inviting them to check out your website and so on.
- b. You can track mentions of your company or products in other Tweets using a Twitter application such as Tweetdeck or Hootsuite.



- c. Don't be afraid to Tweet often. Anywhere between 5-10 Tweets a day is your target. Also remember to shake your message up. As every good marketer knows, tone and style are a huge factor in ensuring that your message stands out, resonates, and promotes action. Tweeting is like conversation, putting out static updates or statements will fall on flat ears, but engaging, teasing, querying, and showing interest will promote action. So shake your message up, use the words your audience uses, sprinkle in some hashtags and go on and tease a little.

So, instead of saying:

- *We're giving away 2 bagels for the price of one at BagelFest on Nov 25, 4-8 PM <LINK>*

Tweet this:

- *We know you love them! Get 2 bagels for the price of one on 11/25. Find out where <LINK>*

### 3. Use Facebook to its Fullest Effect

As with Twitter, Facebook is a great way for engaging with people who like your brand, want to interact with your business, stay abreast of latest developments, and take advantage of giveaways, contests, surveys, etc. It is also invaluable for brand exposure. While having a Facebook presence doesn't guarantee a huge uptick in visitors to your website, using it strategically to link back to online blogs, menus, event or newsletter registration landing pages and special offers, can improve site traffic.





## 7(a) Loan Program

Program	Maximum Amount	Use of Proceeds	Maturity	Maximum Interest Rate	Structure	Who Qualifies	Benefit to Borrowers
<b>Standard 7(a):</b> Applicant applies for business loan to lender; Lender applies to SBA for guaranty of their proposed loan if they determine it is necessary. Loan from lender, not SBA.	\$5 million to any one business, including affiliates	Expansion/renovation; new construction, purchase land or buildings; purchase equipment, fixtures, lease-hold improvements; working capital; inventory, business acquisition, startups and refinancing under certain conditions (discuss with lender).	Depends on use of proceeds and ability to repay. Generally working capital and machinery & equipment loans have 5-10 years; real estate is up to 25 years. Term negotiated with lender.	SBA sets a maximum rate for both variable and fixed rates loans (discuss with lender or local SBA District Office for current information).	Term loan with one payment of principal and interest (P&I) each month. Interest variable or fixed as negotiated with lender. Cannot be revolving. SBA charges a Guaranty Fee **	Must be for-profit and meet SBA size standards; show good character, credit, management, and ability to repay; must be an eligible type of business, use proceeds for eligible purpose, and demonstrate that credit is not otherwise available.	Business able to obtain financing which otherwise would not be provided due to term, collateral, equity, and/or time in business. Fixed maturity; No balloons; No prepayment penalty if maturity under 15 years. Establish or re-affirm business relationship with a lender.
<b>International Trade:</b> Long term financing to help businesses engaged in exporting or adversely impacted by imports.	Same as Standard 7(a).	Acquire, renovate, modernize facilities or equipment used in making products or services to be exported, plus permanent working capital and refinance debt not structured with reasonable terms.	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a). Maximum SBA guaranty amount for working capital is \$4 million.	Same as Standard 7(a) plus businesses must be engaged or preparing to engage in international trade or adversely affected by competition from imports.	Same as Standard 7(a) plus long-term financing for fixed assets used to produce products or services for export.
<b>Export Working Capital Program:</b> Single transaction or Revolving Working Capital lines of credit for exporters.	Same as Standard 7(a).	Short-term, working-capital for exporters. Can be single transaction or revolving. Standby Letters of Credit for export purposes.	Generally one year, but can be up to 3 years to match a single transaction cycle.	Established by lender. No SBA established maximums.	Short term revolving line of credit based on borrowing base or export purchase orders. Monthly interest payments; principal payments based on collection of foreign receivables.	Same as Standard 7(a) plus must have been in business for at least one year and preparing to engage in or increase international trade.	Same as Standard 7(a) plus provides working capital to American Exporters to perform on export transactions and/or finance export receivables. Ability to financing standby letters of credit for export purposes.
<b>CAPLines:</b> Four different Revolving Lines of Credit, a/k/a Seasonal, Contract Builders, Working Capital	Same as Standard 7(a).	Finances: seasonal working capital needs, direct cost to perform assignable contracts, construction costs of structure for resale, or advances against existing inventory and receivables.	Up to 10 years.	Same as Standard 7(a).	Revolving line of credit with monthly interest and principal payments based on when the business receives the cash for doing the activity the loan proceeds financed.	Same as Standard 7(a) plus a business that needs the specialized proceeds this program offers.	Same as Standard 7(a) plus provides revolving working capital not otherwise available to perform on an assignable contract, to cover seasonal needs, to build or renovate personal or commercial space, and to obtain funds against existing current assets. Also structured to meet business needs.
<b>SBAExpress:</b> Lender approves the loan.	\$350,000.	Same as a Standard 7(a) or may be used for a revolving working capital line of credit.	Same as Standard 7(a) for term loans, Revolving lines of credit up to 7 years.	Loans \$50,000 or less: Prime + 6.5%. Loans over \$50,000: Prime + 4.5%.	Same as Standard 7(a) except lender has more leeway to structure repayment under their own rules.	Same as Standard 7(a).	Same as Standard 7(a) plus Streamlined process; Easy-to-use line of credit and allows for a revolving feature which Standard 7(a) does not.
<b>Small Loan Advantage:</b> Lower-dollar loans.	\$350,000.	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a) with emphasis on business located in Underserved Markets.	Stream-lined loan application and use of credit scoring.
<b>Rural Loan Advantage:</b> Rural-based or small community lender	\$350,000.	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a).	Rural and small community markets impacted by population loss, high unemployment	Stream-lined application

\*\* The SBA charges the lender a guaranty fee based on the loan's maturity and the dollar amount which is initially guaranteed.

The lender can pass this expense to the borrower and loan proceeds can be used to reimburse the lender.

The 7(a) Guaranty Fee Reference Chart (on next page) explains the Agency's guaranty fee charges.

## 7(a) Loans, continued

Program	Maximum Amount	Use of Proceeds	Maturity	Maximum Interest Rate	Structure	Who Qualifies	Benefit to Borrowers
<b>Export Express:</b> Lender approves the loan.	\$500,000.	Same as SBA Express plus can be used for Standby Letters of Credit for Export Purposes. Debt Refinance is not allowed.	Same as SBA Express.	Same as SBA Express.	Same as SBA Express.	Same as SBA express plus loan proceeds must be used to support export development activity.	Same as SBA Express plus provides lenders with a higher percentage guaranty which can encourage them to make more loans to finance export development activities of small businesses. Standby Letters of Credit are also authorized.
<b>Patriot Express:</b> Lender approves the loan.	\$500,000.	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a).	Same as SBA Express.	Same as Standard 7(a) plus must be owned & controlled by one or more of the following groups equaling at least 51% total ownership: veteran, active-duty military, reservist or National Guard member or spouse of any of these groups, or widowed spouse of service member or veteran who died during service or of service connected disability.	Same as SBA Express plus provides lenders with a higher percentage of guaranty which can encourage them to make more loans to qualified businesses.
<b>Community Advantage:</b> Alternative Lenders assisting businesses located in areas with high needs.	\$250,000.	Same as Standard 7(a) except cannot be used to refinance loans made by or guaranteed by the Dept. of Agriculture or loans by SBA Micro-Lenders using their SBA intermediary loan.	Same as Standard 7(a).	Same as Standard 7(a) except allowable "Spread" is + 4% over the base rate.	Allows mission-oriented lenders focused on economic development in underserved markets to apply for 7(a) guaranty on loan they propose to make to an eligible small business.	Loan eligibility requirements are same as for Standard 7(a) loans, but the business should be located in an underserved market.	Borrowers in underserved markets get more choices on the types of lenders who can provide them financing if their financing needs an SBA guaranty and the technical assistance needs of the applicant are assessed by the lender.

## Non 7(a) Loans

<b>504 Loans:</b> Fixed Asset Project Financing provided from three sources.	SBA portion up to \$5.0 million.	For the acquisition of long-term fixed-assets, refinancing long term fixed asset debt under certain conditions, and working capital on a limited basis.	Either 10 or 20 year term on the SBA/ CDC portion.	Check with local SBA District Office for current information.	Financing from 1. <i>The CDC Certified Development Company</i> 2. <i>Third Party Lenders</i> 3. <i>Applicant</i>	For profit businesses that do not exceed \$15.0 million in tangible net worth and do not have an average net income over \$5 million for the past 2 years.	Fees under 3 percent; long-term fixed rate; low down payment; full amortization; no balloons.
<b>Micro-Loans</b>	\$50,000 total to one small business borrower.	Furniture, fixtures, supplies, inventory, equipment, and working capital.	Shortest term possible, not to exceed 6 years.	Check with local SBA District Office for locations of locally available intermediary lenders and then check with them.	Loans through non-profit lending organizations; technical assistance also provided.	Same as 7(a) – plus loans can be made to non-profit day care businesses.	Direct loans from nonprofit intermediary lenders; Fixed-rate financing; Very small loan amounts; Technical assistance available.

7(a) Guaranty Fee Reference Chart	Gross Size of Loan	Fees	Notes
	Loans of \$150,000 or less (See Note 1).....	2% of guaranteed portion, Lender is authorized to retain.....	Maturities that exceed 12 months
	\$150,001 to \$700,000 .....	3% of guaranteed portion.....	Maturities that exceed 12 months
	\$700,001 to \$5,000,000 (See Note 2) .....	3.5% of guaranteed portion up to \$1,000,000 PLUS 3.75% of the guaranteed portion over \$1,000,000 .....	Maturities that exceed 12 months
	Short Term Loans – up to \$5 million .....	0.25% of the guaranteed portion .....	Maturities of 12 months or less

NOTE 1: The guaranty fee on a \$100,000 loan with an 85% guaranty would be 2% of \$85,000 or \$1,700, of which the lender would retain \$425.

NOTE 2: The guaranty fee on a \$2,000,000 loan with a 75% guaranty (\$1.5 million guaranteed portion) would be, 3.5% of \$1,000,000 (\$35,000) PLUS 3.75% of \$500,000 (\$18,750), for a total of \$53,750.



# Building on SBA's Record Year

The SBA actively supports the wide diversity of small businesses that are driving our economy forward in 2012, from Main Street shops, to high-growth startups, and everything in between. No matter what your business, you can get help from the SBA. Whether you are a small business owner who has worked with us before or an entrepreneur who knows nothing about what the agency has to offer, there's never been a better time to link up with your local SBA.

Like the tools in this Resource Guide, the SBA's accomplishments in 2011 reflect the diversity of the small businesses we serve.

For example, in Fiscal Year 2011, the SBA put a record amount of SBA loan dollars in the hands of small business owners. The agency provided over \$30 billion in lending support to over 60,000 small businesses through its top two lending programs – 7(a) and 504. Now, SBA lending is back to where it was before the recession. That's good news for small businesses that need access to capital to grow and hire new workers.

For high-growth small businesses looking for investment capital, the Small Business Investment Company (SBIC) program had a record year, as well. SBICs are privately owned and managed investment funds that use their own capital, plus funds borrowed with an SBA guarantee, to invest in small businesses. The SBA does not invest directly into small businesses, but it provides funding to investment management firms with expertise in certain sectors or industries. "In Fiscal Year 2011, the SBA issued a record \$1.83 billion in new commitments to SBICs. SBICs provided \$2.83 billion in financing dollars to over 1,300 small businesses, helping create or retain over 60,000 jobs—all at zero cost to taxpayers."

At the same time, more small businesses are competing for and winning government contracts. Last year, the SBA's most recent "Score Card" showed that the federal government awarded 22.7% of contracts to small businesses in 2010. This is the second year of increase after four years of decline. While this is good news, the SBA will not rest until the government meets its goal of awarding 23% of contracts to small businesses. Government contracts are the oxygen that many small businesses need to survive, and the SBA is committed to helping more small businesses win more contracts in 2012.

The SBA worked hard last year to put more tools in the hands of entrepreneurs in underserved markets. For example, the Young Entrepreneurs Series visited five cities where young people are starting businesses and creating the jobs of the future. The SBA also held forums focused

on women entrepreneurs, the faith-based community, and veterans. The SBA's Council on Underserved Communities held its first meeting last summer, and the council is already developing ideas for how the SBA can expand its reach into these communities.

The Small Business Jobs Act created an independent Office of International Trade (OIT) within the SBA to support small business exporting. OIT set to work implementing the State Trade and Export Promotion (STEP) grants – also part of the Small Business Jobs Act – that gave state-based export promotion programs \$30 million to support small business exporting. For example, in Idaho, the grants will support a program to help a cluster of agricultural equipment manufacturers find international buyers. In Virginia, the money will go to help advanced manufacturers and IT companies enter the global supply chain. Meanwhile, North Carolina is using the grant money to connect firms with trade shows, trade missions, and overseas marketing opportunities and to provide translation services for small businesses that need a website in a different language. Exporting is an important way for small businesses to expand, and the SBA can help. Look for resources in this guide to learn more about how you can sell your product overseas.

Finally, the SBA also aids business owners, homeowners and other victims of natural disasters. The SBA offers long term, low interest loans to help disaster victims rebuild. Last year, the Office of Disaster Assistance supported victims of countless disasters, including Hurricane Irene. The SBA approved over 13,000 disaster loans worth nearly \$740 million. Of course, no small business owner wants to be caught unprepared when disaster strikes. The SBA can help you get your business ready for whatever comes your way.

As you can see from this article and the rest of this guide, the SBA has a wide variety of tools no matter what your business needs. Throughout this guide, you can read about how the SBA can help businesses through access to capital, opportunities in government contracting, counseling, and more. You can also find contact information, where trained professionals can walk you through getting a loan, competing for contracts, or finding a business counselor.

If you don't find what you're looking for here, there is even more information on the agency's newly redesigned website, [www.SBA.gov](http://www.SBA.gov). While you're there, check out SBA Direct, which presents a customized list of resources in your area based on information you enter about your business.

# 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 (SDV), businesses that are women-owned (WO) or service-disabled veteran-owned (SDVOSB), or businesses that are located in historically underutilized business zones (HUBZone).

The agency ensures that small businesses have access to long-lasting development opportunities, which means working with small businesses to help them stay competitive, as well as encouraging federal agencies to award more contracts to small businesses. The SBA features outreach programs, matchmaking events, and online training opportunities; and helps agencies identify 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 who 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 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's 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 for 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 the 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 to 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 for contracts offering subcontracting opportunities over \$650,000 for goods and services, or \$1.5 million for construction, large business prime contractors must offer maximum practicable subcontracting opportunities to small businesses. Large business prime contractors must submit a subcontracting plan describing how they will successfully subcontract to small businesses.

To find subcontracting opportunities, a list of Federal prime solicitations are listed under the U.S. Small Business Administration Subcontracting Network (SUBNET) <http://web.sba.gov/subnet/search/index.cfm> and [www.gsa.gov/portal/content/101195](http://www.gsa.gov/portal/content/101195) General Services Administration (GSA). Research the list of prime contractors and determine which are best suited for 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 requirement 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.

### 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 develop and grow their businesses. Business development assistance includes one-to-one counseling, training workshops, 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 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 US citizens of good character;
- It must be controlled, managed, and operated 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) 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.

### 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.

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 SBA; however, firms approved by SBA into the 8(a) Business Development program are automatically certified as an SDB. To self-certify, firms should update their CCR profiles and update their ORCA profiles, making sure that both profiles reflect their SDB status.

## 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 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, 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 contracting opportunities for women-owned small businesses. The Women-Owned Small Business (WOSB) Federal Contract program authorizes

contracting officers to set aside certain federal contracts for eligible women-owned businesses and economically disadvantaged women-owned small businesses.

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

information, visit [www.sba.gov/content/contracting-opportunities-women-owned-small-businesses](http://www.sba.gov/content/contracting-opportunities-women-owned-small-businesses).

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 SBA prior to the award of a contract.

# WHAT YOU SHOULD KNOW ABOUT YOUR BUSINESS

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

### 1. Are you a small business?

Is your small business:

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

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

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

Size standards are used to determine whether a business is small or "other than small." Size standards vary depending upon the industry. To determine the size standard for your business, you will need a NAICS code. 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).

### 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 Regulations (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 from Small Businesses
- 5 percent of contracts go to Small Disadvantaged Businesses
- 5 percent go to Women-Owned Small Businesses
- 3 percent go to Service-Disabled Veteran-Owned Small Businesses
- 3 percent go to HUBZone Small Businesses

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

# GETTING STARTED IN CONTRACTING

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

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

To register your business, obtain a DUNS number used to identify and track millions of businesses. You can obtain your free DUNS number when registering with the CCR (Central Contractor Registration) at [www.ccr.gov](http://www.ccr.gov) 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 CCR (Central Contractor Registration)

The CCR is an online federal government maintained database of companies wanting to do business with the federal government. Agencies search

the database for prospective vendors. The CCR is at [www.ccr.gov](http://www.ccr.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 CCR 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. Use ORCA (Online Representations and Certifications Application)

Prospective contractors must complete (electronically or through submission of paperwork) representations and certifications for small business size and program status as part of the process that registers the business for federal contracting opportunities. To make this process easier for everyone involved, the government developed ORCA, where generally, businesses can complete all of the paperwork online. To begin this process, first register your firm in CCR, then go to [www.orca.bpn.gov](http://www.orca.bpn.gov).

## 7. 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).

## 8. 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.

## 9. 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).

## 10. 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)

exacting specifications and has led FSM to more than \$10 million in government contracts. Ms. Valenzuela has significant experience in public relations and marketing campaigns for FSM and a variety of Fortune 500 companies. The important addition of Ashley Wolfe to the ownership and management team brought a different area of expertise to the business as executive director. Wolfe contributes his 30-year background in manufacturing and production with an emphasis on efficiency and innovation. Together the three principals have developed a strong management team with a workforce that produces and delivers quality products while providing above-average wages to more than 43 employees.

By 2001 FSM was ready to grow again, with a \$96,500 SBA backed 7(a) loan to modernize and expand their inventory, with recurring business from national restaurant and hotel chains. Their reputation grew for quality, cost effectiveness and innovation. Through extensive testing with Chili's restaurant chain, FSM developed a trademarked seating product, Speedy Cushion, made with environmentally-friendly cushion foam and a "green" maintenance protectant that reduces fading from the sun.

The 9/11 tragedy brought a massive downturn in business to FSM and challenged their very existence. Once again FSM turned to SBA for assistance, with a \$65,800 SBA Disaster loan they were able to maintain their business and employees until revenues returned.

The heart of FSM's business lies in unique, customized, military aircraft solutions. FSM has consistently demonstrated its ability to provide quality, durable products to meet customized solutions. A small sampling of innovative products FSM provides and awards won include:

- FSM was chosen by the US Air Force to participate in a joint venture to standardize manufacture and installation of all C-5 insulation due to its innovation and knowledge of C-5 Galaxy fuselage insulation characteristics.
- During reengineering of the V-22 Osprey aircraft, FSM provided custom-made fabric oil plugs and engine covers needed for the tilt-wing aircraft to remediate several issues including durability, safety, storage ease, and timely installation.
- FSM developed a customized watertight cover, now in use throughout the military, for the Joint Air to Surface Standoff Missile (JASSM).
- Recipient of the **Lockheed Martin Small Business of the Year** award in for superior quality and early completion of work.
- **SBA Minority Small Business Person of the Year** for Delaware and Region Three.

- **U.S. Defense Logistics Agency Vendor of Excellence** for Small Disadvantaged Businesses.
- Named by Delaware Today as one of the **"Best Places to Work"** in Delaware

Using virtually every SBA program and resource partner available, FSA reached out to the state of Delaware's resources as well. With funding from the Delaware Economic Development Office they trained staff to receive AS9100 Quality Certification, which allowed FSM to secure contracts for the commercial equivalent of the military aircraft it supported, such as the Boeing 737, in need of insulation and upholstery. FSM also worked with the Delaware Manufacturing Extension Partnership to improve processes and efficiency and after receiving support from the Delaware Workforce Investment Board, FSM's owners now serve on their executive board.

Through good economic conditions and bad FSM has a history of growth and job creation. From two employees in 1998 to 43 employees in 2011, FSM has continued its growth while many companies were reducing staff. With the recent expansion of facilities, employment is forecasted to continue to increase steadily over the next three years. Net growth from inception to 2011 has been 43 employees at above market wages.

Revenue growth over the last four years has more than doubled, with an increase from \$2.2 million for FY 2007 to annual revenue of \$4.5 million in FY 2010. Through the first six months of 2011 per internally prepared financial statements, FSM reported total revenues of \$2.8 million, indicating another year of significant growth. FSM's revenue growth has been generated and sustained through the expansion of its sales from primarily local markets to national markets, national chains, government contracting, and international markets. Consistent with the growth in revenues, FSM has demonstrated growth in profitability. Gross profit margin in FY 2008 was 32.8% and increased to 41.3% in FY 2011. Net operating income reached a peak of \$444M in FY 2009; three times net operating income of \$136M in FY 2008.

FY 2010 net operating income decreased to \$231M due to increased occupancy costs, personnel and administrative expenses, absorbed while transitioning to the plant's new facility. However, throughout the first six months of 2011, FSM reported net income of \$705M, indicating a strong rebound in net income with the expanded revenues.

FSM's owners actively give back to their local community and the state:

- **Supports Junior Achievement expansion in Delaware:** FSM speaks to and supports area students to broaden their perspective of career and entrepreneurial paths, and donated 13,000 sq. ft. to establish a Junior Achievement campus.

- **Partners with City of Milford and State of Delaware (Department of Labor)** to establish "First State Moves the Nation," a Small Business Manufacturing Accelerator, and donated 15,000 sq. ft. of space to establish a non-profit virtual center to guide manufacturers to state and federal resources.
- **Serves as executive board member** of Delaware Workforce Investment Board
- **Received First Place** in "Megabizfest," SBA-supported Business Plan competition for GrowUSA, a line of information products that enables small businesses to succeed through leveraging of small business state and federal resources.
- **Co-creators with State of Delaware:** first Governor's Entrepreneurial Business Conference in 2009.
- **Monthly financial supporter** of local family-oriented radio station and orphanages throughout Africa, India and the Philippines to provide basic necessities and advanced education degrees to children who would not otherwise succeed.
- **Provides free sewing and upholstery classes** to the local community.
- **Chair of City of Milford Economic Development Panel.**

First State Manufacturing, Inc. is a financially sound small business that has demonstrated consistent growth and sustainable employment in a highly competitive field and difficult economy. Through the creative use of resources, technical knowledge, experience, thorough understanding of Delaware and national markets, FSM has competed successfully, won competitive projects against significantly larger firms and established its niche as a premier provider of textile manufacturing products.

FSM was built on the concept of doing more than what is required. When asked where that extra effort originated Valenzuela said, "As a second generation Mexican-American, I grew up very poor in the projects of Corpus Christi, Texas. My father told me "Eli, never be like a wheel barrow... it only goes as far as you push it." This instilled the belief that hard work is rewarded and that hard work would be his only path to success - clearly expressed in FSM's moniker and business practice: "AND THEN SOME." From humble beginnings and hard work, great things can come.



# SBA DISASTER ASSISTANCE

## Knowing the Types of Assistance Available for Recovery

**T**he Disaster Assistance Program is SBA's largest direct loan program, and the only form of SBA assistance not limited to small businesses. SBA is responsible for providing affordable, timely and accessible financial assistance to homeowners, renters, businesses of all sizes and private, nonprofit organizations following declared disasters. By law, governmental units and agricultural enterprises are ineligible.

**The SBA offers two types of disaster loans —** Physical and Economic Injury Disaster Loans.

**Home Physical Disaster Loans** up to \$200,000 are available to eligible homeowners to repair or replace to its pre-disaster condition damaged or destroyed real estate not fully covered by insurance. Renters and homeowners alike may borrow up to \$40,000 to repair or replace clothing, furniture, cars, appliances, etc., that was damaged or destroyed in the disaster.

**Business Physical Disaster Loans** up to \$2 million are available to qualified businesses or private, nonprofit organizations of any size to help restore or replace damaged real estate, inventory, machinery, equipment and other business assets to its pre-disaster condition.

The SBA can also lend additional funds to homeowners and businesses to help with the cost of making improvements that protect, prevent or minimize the same type of disaster damage from occurring again.

**Economic Injury Disaster Loans (EIDLs)** are working capital loans available to qualified small businesses, private nonprofit organizations of all sizes and small agricultural cooperatives that suffered financial losses because of the disaster, regardless of physical damage. The SBA can loan up to \$2 million to provide the necessary working capital to help small businesses pay fixed debts, payroll, accounts payable and other bills that could have been covered had the disaster not occurred. The loan is not intended to replace lost sales or profits. The combined limit for economic injury and physical damage assistance for businesses is \$2 million.

**Military Reservist Economic Injury Disaster Loans (MREIDLs)** are working capital loans for small businesses adversely affected when an essential employee is called up to active duty by the National Guard or Reserves. An "essential employee" is defined as an individual (whether or not the owner of the small business) whose managerial or technical skill is critical to the successfully daily operation of the business. The loan limit is \$2 million, and the funds may be used to pay necessary operating expenses as they mature until operations return to normal after the essential employee is released from active military duty. The MREIDLs cannot be used to replace lost profits.

For all disaster loans, SBA can only approve loans to applicants having a credit history acceptable to SBA and who also show the ability to repay the loans. The loan terms are established in accordance with the borrower's repayment ability. 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 after 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

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

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

Starting is as easy as clicking on the disaster preparedness page of SBA's website at [www.sba.gov/content/disaster-preparedness](http://www.sba.gov/content/disaster-preparedness).

The page provides links to resources to help you put together your own emergency plan, preparedness tips, and fact sheets about SBA recovery assistance for homeowners, renters, businesses of all sizes and private, nonprofit organizations.

Additionally, to help small businesses with their preparedness planning, SBA has teamed up with Agility Recovery Solutions to offer business continuity strategies for entrepreneurs via their "PrepareMyBusiness" website. In addition to offering practical disaster preparedness tips, Agility is the co-host (with SBA) of a monthly disaster planning webinar for business owners. Previous webinar topics have included discussions on crisis communications, testing your recovery plan, and using social media to enhance business recovery. Visit [www.preparemybusiness.org](http://www.preparemybusiness.org) to get the schedule for future webinars, view archived webinars, and for more disaster planning tips.

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.

### Additional Resources

The SBA has partnered with the American Red Cross to increase awareness in the business community about the Red Cross Ready Rating™ program. Ready Rating™ is a free, self-paced, web-based membership program that helps a business measure its ability to deal with emergencies, and gives customized feedback on how to improve those efforts. Visit [www.readyrating.org](http://www.readyrating.org).

Additional information on developing an emergency plan is available at the federal government's preparedness website [www.ready.gov](http://www.ready.gov).

The Institute for Business and Home Safety ([www.disastersafety.org](http://www.disastersafety.org)) has useful tips on protecting your home or business.

# ADVOCACY AND OMBUDSMAN

Watching out for small business interests



## OFFICE OF ADVOCACY

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

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

Advocacy's mission is enhanced by a team of regional advocates, located in the SBA's 10 regions. They are Advocacy's direct link to small business owners, state and local government

entities, and organizations that support the interests of small entities. The regional advocates help identify regulatory concerns of small business by monitoring the impact of federal and state policies at the grassroots level.

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

### U.S. Small Business Administration

Office of Advocacy  
Winslow Sargeant  
Chief Counsel for Advocacy  
409 3rd St. S.W.  
Washington, DC 20416  
202-205-6533  
[www.sba.gov/advo](http://www.sba.gov/advo)

### U.S. Small Business Administration

Office of Advocacy  
Ngozi Bell, Regional Advocate (Region III)  
SBA Office of Advocacy  
Parkview Tower  
1150 1st Ave., Ste. 1001  
King of Prussia, PA  
610-382-3093 • 202-481-0200 Fax  
[Ngozi.bell@sba.gov](mailto:Ngozi.bell@sba.gov)  
[www.sba.gov/advo](http://www.sba.gov/advo)  
Serves Delaware, District of Columbia, Maryland, Pennsylvania, Virginia and West Virginia.

## OFFICE OF THE NATIONAL OMBUDSMAN

If excessive fines, penalties or unfair regulatory enforcement by federal agencies are problems for your small business, you have a voice in

Washington, D.C., through the SBA's Office of the National Ombudsman.

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

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

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

Learn more about the National Ombudsman at [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman) or call 888-REG-FAIR.



# ADDITIONAL RESOURCES

## Taking care of start up logistics



**E**ven if you are running a small home-based business, you will have to comply with many of the 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.

**Delaware Division of Revenue**  
[www.revenue.delaware.gov/](http://www.revenue.delaware.gov/)

#### Wilmington

Carvel State Office Bldg.  
820 N. French St.  
Wilmington, DE 19801  
302-577-8200 Public service  
302-577-8208 Billing/Financial Services  
302-577-8205 Taxes  
302-577-8205 Business Tax Electronic Filing  
302-577-8201 Forms Request Line  
302-577-8200 • 302-577-8202 Fax

#### Dover

Thomas Collins Bldg.  
540 S. Dupont Hwy., Ste. 2  
Dover, DE 19901  
302-744-1085 • 302-744-1095 Fax

#### Georgetown

20653 Dupont Blvd., Ste. 2  
Georgetown, DE 19947  
302-856-5358 • 302-856-5697 Fax

#### E-mail addresses

- For copies of Delaware tax forms and instructions or for other assistance from our Public Service representatives - [Formsrequest@state.de.us](mailto:Formsrequest@state.de.us)
- For estimated tax coupons - [estimated@state.de.us](mailto:estimated@state.de.us)

### 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.

#### New Castle County Courthouse

Court House  
500 N. King St.  
Wilmington, DE 19801  
302-255-0800

#### Kent County

Kent County Courthouse  
38 The Green  
Dover, DE 19901  
302-739-3184

#### Sussex County

Sussex County Courthouse  
1 The Circle, Ste. 2/P.O. Box 556  
Georgetown, DE 19947  
302-855-7055

### 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, other simply make good business sense. The types of insurance listed below are among the most commonly used and are merely a starting point for evaluating the needs of your business.

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

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

**Business Interruption** – While property insurance may pay enough to replace damaged or destroyed equipment or buildings, how will you



pay costs such as taxes, utilities and other continuing expenses during the period between when the damage occurs and when the property is replaced? Business Interruption (or “business income”) insurance can provide sufficient funds to pay your fixed expenses during a period of time when your business is not operational.

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

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

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

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

#### Insurance Commissioner

Delaware Insurance Department  
841 Silver Lake Blvd.  
Dover, DE 19904  
302-674-7300  
[www.delawareinsurance.gov/](http://www.delawareinsurance.gov/)

## TAXES

Taxes are an important and complex aspect of owning and operating a successful business. Your accountant, payroll person, or tax advisor 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 some tax basics. IRS Small Business/Self-Employed Tax Center gives you the information you need to stay tax compliant so your business can thrive.

Small Business Forms and Publications [www.irs.gov/businesses/small/article/0,,id=99200,00.html](http://www.irs.gov/businesses/small/article/0,,id=99200,00.html)

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

## 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. [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.

## State & Federal Tax Requirements

Various taxes are imposed upon individuals, employers, businesses, and certain products. The taxes for which any business enterprise is liable depend on the type and structure of the business. The Internal Revenue Service (IRS) offers a free tax kit and free tax workshops. On the state level, businesses must be aware of requirements related to Unemployment Insurance, Workers’ Compensation, and State Withholding Taxes. Delaware’s Division of Revenue offers a booklet entitled Withholding of Delaware Income Tax, Regulations, Employer’s Duties, Withholding Tables. For more information, contact:

#### IRS

844 King St.  
Wilmington, DE 19801  
302-573-6343

300 S. New St.  
Dover, DE 19904  
302-678-2784

21309 Berlin Rd., Unit 13  
Georgetown, DE 19947  
302-855-0309

IRS Statewide: 800-829-1040 (individuals)  
800-429-4933 (businesses)

## FEDERAL SELF-EMPLOYMENT TAX

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

The IRS has publications, counselors and workshops available to help you sort it out. For more information, contact the IRS at 800-829-1040 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’s government.

## FEDERAL INCOME TAX

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

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

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

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

## FEDERAL PAYROLL TAX

**Federal Withholding Tax:** Any business employing a person must register with the IRS and acquire an EIN and pay federal withholding tax at least quarterly. File Form SS-4 with the

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

## 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 [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)

### 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.

## Unemployment Insurance

Department of Labor  
Division of Unemployment Insurance  
P.O. Box 9953 (for tax inquiries)  
Wilmington, DE 19809  
P.O. Box 9950 (for benefit inquiries)  
Wilmington, DE 19809  
302-761-8482 (tax questions)  
302-761-8351 (benefit questions)  
[www.delawareworks.com/Unemployment](http://www.delawareworks.com/Unemployment)

## Workers Compensation

Delaware Department of Labor  
Office of Workers Compensation  
4425 N. Market St.  
Wilmington, DE 19802  
(mailing address)  
P.O. Box 9954  
Wilmington, DE 19809-9954  
302-761-8200  
[www.delawareworks.com/industrialaffairs](http://www.delawareworks.com/industrialaffairs)

## Wage and Hour Rules

U.S. Dept. of Labor  
Wage and Hour Division  
Rm. 207, Appraisers Stores Bldg.  
103 S. Gay St.  
Baltimore, MD 21202-4061  
302-573-6112 or 866-487-9243

## State Withholding

Division of Revenue  
Carvel State Office Bldg.  
820 N. French St.  
Wilmington, DE 19801  
302-577-8200 Public service  
302-577-8208 Billing  
302-577-8205 Taxes  
302-577-8205 Business Tax Electronic Filing  
302-577-8201 Forms Request Line  
302-577-8200 • 302-577-8202 Fax

## Dover

Thomas Collins Bldg.  
540 S. Dupont Hwy., Ste. 2  
Dover, DE 19901  
302-744-1085 • 302-744-1095 Fax

## Georgetown

20653 Dupont Blvd., Ste. 2  
Georgetown, DE 19947  
302-856-5358 • 302-856-5697 Fax  
[www.revenue.delaware.gov/](http://www.revenue.delaware.gov/)

- For copies of Delaware tax forms and instructions or for other assistance from our Public Service representatives - [forms@state.de.us](mailto:forms@state.de.us)

- For estimated tax coupons - [estimated@state.de.us](mailto:estimated@state.de.us)

## 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 am – 5 pm. 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 outlines specific health and safety standards adopted by the U.S. Department of Labor.

### Occupational Safety & Health Administration (OSHA)

U.S. Department of Labor  
200 Constitution Ave. N.W.  
Washington, DC 20210  
202-693-5000 or 800-321-6742  
[www.osha.gov](http://www.osha.gov)

919 Market St., Ste. 900  
Wilmington, DE 19801  
302-573-6518 • 302-573-6532 Fax

### Delaware Department of Labor

Division of Industrial Affairs  
4425 N. Market St., 3rd Fl.  
Wilmington, DE 19802  
302-761-8200

## 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, “C” and “S” corporations and limited liability companies.

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

### Sole Proprietorship

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

### General Partnership

A partnership exists when two or more persons join together in the operation and management of a business. Partnerships are subject

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

### Limited Partnership

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

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

### “C” Corporation

A “C” corporation is a legal entity created under state law by the filing of articles of incorporation. A corporation is a separate entity having its own rights, privileges and liabilities, apart

from those of the individual(s) forming the corporation. It’s the most complex form of business organization and is comprised of shareholders, directors and officers. Since the corporation is a separate legal entity in its own right it can own assets, borrow money and perform business functions without directly involving the owners. Corporations are subject to more government regulation and offer the owners the advantage of limited liability, but not total protection from lawsuits.

### Subchapter “S” Corporation

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

### LLCs and LLPs

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



### Kent & Sussex Counties

24 N.W. Front St., Ste. 100  
The Windsor  
Milford, DE 19963  
302-422-1134  
[www.delawareworks.com/industrialaffairs/welcome.shtml](http://www.delawareworks.com/industrialaffairs/welcome.shtml)

## 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.

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)



## 45 DAYS from handshake to closing.

Not only are we the **LARGEST SBA 504 LENDER** in PA, we also have **over 25 years of experience**. Our specialty lies within the government guaranteed lending programs - primarily the SBA and USDA - which allow us to provide guaranteed loans for **working capital, refinance, and fixed asset acquisition**. We'll work with you to determine which loan fits your needs, use our expertise to provide 45 day closing by monitoring the process, and navigating submission from the borrower to the lender.

### Helping lenders grow business:

- We facilitate the premier tool for small business growth and financing - the SBA 504 & 7a Programs.

### Helping businesses grow:

- An SBA loan can help you realize your big ideas through commercial real estate and equipment financing.
- Seedcopa partners with our lender to provide a low-fixed interest, long-term loan that usually requires only 10% down.
- We have the experts which can help guide you through the application and loan processing experience.

### Highest level of performance, service, and expertise in the region:

- We have earned the trust of the 30+ lenders and 14 Economic Development partners we work with on a daily basis
- We remain a partner with the borrower and lender through the life of the loan
- Our locally based officers and highly skilled back office team are responsive to all your needs.



**Seedcopa**

South Eastern Economic  
Development Company  
of Pennsylvania  
[seedcopa.com](http://seedcopa.com)

Contact Jim Noone **610.321.8237**

# OTHER ASSISTANCE

## OTHER SOURCES OF ASSISTANCE

### Chambers of Commerce

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

#### AFRICAN-AMERICAN CHAMBER OF COMMERCE OF PENNSYLVANIA, NEW JERSEY AND DELAWARE

1 Penn Center, 1617 JFK Blvd., Ste. 889  
Philadelphia, PA 19103  
215-751-9501 • 215-751-9509 F  
Nicole R. Giles, Executive Director  
nrgiles@aachamber.org  
www.aachamber.org

#### BETHANY-FENWICK AREA CHAMBER OF COMMERCE

36913 Coastal Hwy.  
Fenwick Island, DE 19944  
302-539-2100 ext.16 • 302-539-9434 F  
lindsey@bethany-fenwick.org  
www.bethany-fenwick.org

#### CENTRAL DELAWARE CHAMBER OF COMMERCE

435 N. DuPont Hwy.  
Dover, DE 19901  
302-734-7513 • 302-678-0189 F  
Judy Diogo, President  
adminassistant@cdcc.net  
www.cdcc.net

#### CHAMBER OF COMMERCE FOR GREATER MILFORD

5 S. Washington St., Milford, DE 19963  
P.O. Box 805, Milford, DE 19963  
Joe Schneider  
302-422-3344 • 302-422-7503 F  
www.milfordchamber.com

#### DELAWARE STATE CHAMBER OF COMMERCE

Small Business Alliance  
1201 N. Orange St., Ste. 200  
Wilmington, DE 19801  
302-655-7221 • 302-654-0691 F  
James Wolfe, President and CEO  
info@dscc.com  
www.dscc.com

#### GREATER DELMAR CHAMBER OF COMMERCE

P.O. Box 416  
Delmar, DE 19940  
302-846-3336  
John G. Johnson, President  
www.delmarchamberofcommerce.com

#### GREATER GEORGETOWN CHAMBER OF COMMERCE

140 Layton Ave.  
Georgetown, DE 19947  
302-856-1544 • 302-856-1577 F  
Karen Duffield, Executive Director  
karen@georgetowncoc.com  
www.georgetowncoc.com

#### GREATER MILLSBORO CHAMBER OF COMMERCE

28438 DuPont Blvd.  
Millsboro, DE 19966  
P.O. Box 187  
Millsboro, DE 19966  
302-934-6777 • 302-934-6065 F  
Amy Simmons, Chamber Coordinator  
Millsboro@intercom.net  
www.millsborochamber.com

#### GREATER PHILADELPHIA CHAMBER OF COMMERCE

200 S. Broad St., Ste. 700  
Philadelphia, PA 19102-3896  
215-545-1234 • 215-790-3600 F  
www.greaterphilachamber.com

#### GREATER SEAFORD CHAMBER OF COMMERCE

304 A High St./P.O. Box 26  
Seaford, DE 19973  
302-629-9690 • 302-629-0281 F  
Paula Gunson, Executive Director  
admin@seafordchamber.com  
www.seafordchamber.com

#### JUNIOR CHAMBER INTERNATIONAL WORLDWIDE FEDERATION OF YOUNG LEADERS AND ENTREPRENEURS

15645 Olive Blvd.  
Chesterfield, MO 63017  
636-449-3100  
www.jci.cc

#### LAUREL CHAMBER OF COMMERCE

P.O. Box 696  
Laurel, DE 19956  
302-875-9319 • 302-875-4660 F  
Bob Wheatley, President  
info@laurelchamber.com  
www.laurelchamber.com

#### LEWES CHAMBER OF COMMERCE AND VISITOR'S BUREAU

120 King's Hwy./P.O. Box 1  
Lewes, DE 19958  
302-645-8073 • 302-645-8412 F  
877-465-3937  
Betsy Reamer, Executive Director  
inquiry@leweschamber.com  
www.leweschamber.com

#### MIDDLETOWN AREA CHAMBER OF COMMERCE

216 N. Broad St./P.O. Box 1  
Middletown, DE 19709  
302-378-7545 • 302-378-6260 F  
Roxanne Ferguson, Executive Director  
info@middletownareachamber.com  
www.middletownareachamber.com

#### MILTON CHAMBER OF COMMERCE

707 Chestnut St./P.O. Box 61  
Milton, DE 19968  
302-684-1101 • 302-684-2830 F  
Georgia Dalzell, Executive Director  
chamber@historicismilton.com  
www.historicismilton.com

#### NATIONAL BLACK CHAMBER OF COMMERCE

1350 Connecticut Ave. N.W., Ste. 405  
Washington, DC 20036  
202-466-6888 • 202-466-4918 F  
info@NationalBCC.org  
www.NationalBCC.org

#### NEW CASTLE COUNTY CHAMBER OF COMMERCE

12 Penns Way  
New Castle Corporate Commons  
New Castle, DE 19720  
302-737-4343 • 302-322-3593 F  
Mark Kleinschmidt, President  
Bob Chadwick, V.P. Business and Econ. Dev.  
info@nccccc.com  
www.nccccc.com

#### REHOBOTH BEACH-DEWEY BEACH CHAMBER OF COMMERCE

501 Rehoboth Ave./P.O. Box 216  
Rehoboth, DE 19971  
302-227-2233 • 302-227-8351 F  
Carol Everhart, CEO/President  
rehoboth@beach-fun.com  
www.beach-fun.com

#### U.S. CHAMBER OF COMMERCE

1615 H. St. N.W.  
Washington, DC 20062  
202-659-6000 or 800-638-6582  
www.uschamber.com

#### U.S. HISPANIC CHAMBER OF COMMERCE

2175 K St. N.W., Ste. 100  
Washington, DC 20037  
202-842-1212 • 202-842-3221 F  
ushcc@ushcc.com  
www.ushcc.com

#### U.S. WOMEN'S CHAMBER OF COMMERCE

1200 G St. N.W., Ste. 800  
Washington, DC 20005  
888-41-USWCC  
www.uswccc.org

## Tourism Resources

#### DELAWARE TOURISM OFFICE

99 Kings Hwy.  
Dover, DE 19901  
302-739-4271 or 866-284-7483  
302-739-5749 F  
Linda Parkowski, Tourism Director  
www.visitdelaware.gov

#### DELAWARE TOURISM ALLIANCE

4 Cabot Pl.  
Newark, DE 19711  
302-655-1552 • 302-239-6648 F  
Julie Miro-Wenger  
juliemirowenger@gmail.com

#### DELAWARE HOTEL & LODGING ASSOCIATION

9 E. Lookerman St.  
Dover, DE 19901  
302-734-4935 • 302-734-1190 F  
Barry Kidner  
bek@kidner.com  
www.delawarelodging.org

#### GREATER WILMINGTON CONVENTION & VISITORS BUREAU

100 W. 10th St., Ste. 20  
Wilmington, DE 19801  
302-295-2210 or 800-489-6664  
www.VisitWilmingtonDE.com

#### KENT COUNTY & GREATER DOVER, DELAWARE CONVENTION & VISITORS BUREAU

435 N. DuPont Hwy.  
Dover, DE 19901  
302-734-1736 or 800-233-KENT  
302-734-0167 F  
www.visitdover.com  
kctc@visitdover.com

#### SOUTHERN DELAWARE TOURISM CONVENTION & VISITORS BUREAU FOR SUSSEX COUNTY

P.O. Box 240  
Georgetown, DE 19947  
302-856-1818 or 800-357-1818  
Scott Thomas, Executive Director  
www.visitsoutherndelaware.com  
southdel@visitsoutherndelaware.com

## Incubator Programs for Small Businesses

#### CITY OF WILMINGTON RETAIL INCUBATOR PROGRAM

Shoppes at 827  
827 N. Market St. Mall  
Wilmington, DE 19801  
302-576-2126 • 302-571-4326 F  
Loraine Watson, Director  
lwatson@wilmingtonde.gov

#### FIRST STATE MOVES THE NATION BUSINESS ACCELERATOR

Partners: Delaware State University, First State Manufacturing, Inc., City of Milford.  
301 S.E. 4th St.  
Milford, DE  
Michael H. Casson Jr.  
302-857-6839  
mcasson@desu.edu

#### NEW CASTLE COUNTY EMERGING ENTERPRISE CENTER

DELAWARE'S BUSINESS INCUBATOR  
New Castle County Chamber of Commerce  
12 Penn's Way  
New Castle, DE 19720  
302-294-2056 • 302-322-3593 F  
Michael Tentnowski  
tentnowskim@nccccc.com  
www.nccccc.com

#### FOOD BUSINESS INCUBATOR CENTER

Delaware State University College of Business  
1200 N. DuPont Hwy.  
Dover, DE 19901  
302-857-6954 • 302-857-6950 F  
Lillie Crawford, Director

# OTHER ASSISTANCE

## Government Resources

### KENT ECONOMIC PARTNERSHIP

435 N. DuPont Hwy.  
Dover, DE 19903  
302-678-3028 • 302-678-0189 F  
director@kentpartnership.org  
www.kentpartnership.org

### CITY OF DOVER COMMUNITY DEVELOPMENT

15 E. Loockerman St.  
Dover, DE 19901  
302-736-7175 • 302-736-4217 F  
Contact: Tracy Harvey  
tharvey@dover.de.us  
www.cityofdover.de.us

### CITY OF DOVER ECONOMIC DEVELOPMENT OFFICE

101 W. Loockerman St., Ste. 1A  
Dover, DE 19904  
www.cityofdover.de.us  
William G. Neaton, Economic Dev. Mgr.  
302-678-4858 • wneaton@dover.de.us  
Ed Perez, Downtown Coordinator  
302-678-2940 • eperez@dover.de.us

### CITY OF NEWARK PLANNING & DEVELOPMENT DEPARTMENT

220 Elkton Rd./P.O. Box 390  
Newark, DE 19715-0390  
302-366-7030 • 302-366-7160 F  
Roy Lopata, Planning Director  
rlopata@newark.de.us  
www.cityofnewarkde.us

### CITY OF WILMINGTON

Louis Redding City/County Bldg.  
800 N. French St., 5th Fl.  
Wilmington, DE 19801  
302-576-2100  
www.wilmingtonde.gov

### ECONOMIC DEVELOPMENT OFFICE

Louis L. Redding City Council Bldg.  
800 French St., 3rd Fl.  
Wilmington, DE 19801  
302-576 2120  
Joseph G. DiPinto, Director  
joedipinto@wilmingtonde.gov

### SMALL & MINORITY BUSINESS ENTERPRISE OFFICE

Micro Enterprise Program  
302-576-2126 • 302-571-4326 F  
Loraine Watson, Manager  
lwatson@wilmingtonde.gov

### EARNED INCOME/BUSINESS LICENSE DIVISION

Department of Finance, 5th Fl.  
302-576-2415 or 302-576-2418  
302-571-4283 F  
www.wilmingtonde.gov

### LICENSES/INSPECTIONS

800 French St., City Council Bldg., 3rd Fl.  
Wilmington, DE 19801  
302-576-3030 • 302-571-4423 F  
Anne Kelley-Brown, Compliance Officer  
akelley@wilmingtonde.gov

### DELAWARE CENTER FOR ENTERPRISE DEVELOPMENT

Delaware State University College of Bus.  
1200 N. DuPont Hwy., MBNA Bldg., Ste. 108  
Dover, DE 19901  
302-857-6954 • 302-857-6950 F  
Lillie Crawford, Director  
lcrawford@desu.edu  
www.desu.edu/dced

### GOVERNMENT SUPPORT SERVICES CONTRACTING UNIT

100 Enterprise Pl., Ste. 4  
Dover, DE 19904  
302-857-4550 • 302-739-3779 F  
www.gss.omb.delaware.gov/contracting

### DELAWARE DEPARTMENT OF JUSTICE CONSUMER PROTECTION DIVISION

820 N. French St., 5th Fl.  
Wilmington, DE 19801  
302-577-8600 • 302-577-6630 F  
www.state.de.us/attgen/fraud/  
consumerprotection/consumerprotection.htm

### DELAWARE DEPARTMENT OF LABOR

4425 N. Market St.  
Wilmington, DE 19802  
302-761-8008 • 302-761-6621 F  
dlabor@state.de.us  
www.delawareworks.com

### DELAWARE DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL (DNREC) PLANNING & COMPLIANCE ASSISTANCE

89 Kings Hwy.  
Dover, DE 19901  
302-739-9069 • 302-739-6242 F  
Kimberly Chesser, Small Bus. Ombudsman  
kimberly.chesser@state.de.us  
www.dnrec.delaware.gov

### DELAWARE DEPARTMENT OF STATE DIVISION OF CORPORATIONS

Express Mail:  
John G. Townsend Bldg.  
401 Federal St., Ste. 4  
Dover, DE 19901  
Regular Mail:  
P.O. Box 898  
Dover, DE 19903  
302-739-3073 • 302-739-3812/3813 F  
www.de.gov

### ONLINE FILING/FRANCHISE TAX/UCC FILINGS

302-739-3073  
www.delecorp.de.gov/eCorp/contactus

### CORPORATE STATUS & INFORMATION ON INTERNET

www.state.de.us/corp/onlinestatus

### NAME RESERVATION ON THE INTERNET

<https://sos-res.state.de.us/tin/EntitySearch.jsp>

### DELAWARE DEPARTMENT OF TRANSPORTATION DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

800 Bay Rd.  
Dover, DE 19901  
302-760-2035 • 302-739-2254 F  
Travis Crawford, Program Manager  
travis.crawford@state.de.us  
www.deldot.gov or  
<http://deldot.gov/information/business/dbep/index.shtml>

### DELAWARE DIVISION OF LIBRARIES

121 Duke of York St.  
Dover, DE 19901  
800-282-8696 or 302-739-4748  
302-739-6787 F  
www.state.lib.de.us

### DELAWARE DIVISION OF PUBLIC HEALTH

417 Federal St.  
Dover, DE 19901  
302-744-4700 • 302-739-6659 F  
www.delaware.gov

### DELAWARE DIVISION OF REVENUE

820 N. French St., 8th Fl.  
Wilmington, DE 19801  
302-577-8200 • 302-577-8202 F  
Selena Gardner  
selena.gardner@state.de.us  
www.state.de.us/revenue

### THE DELAWARE ECONOMIC DEVELOPMENT OFFICE

(DEDO) supports small businesses and emerging technology start-ups, from inception and forward. DEDO offers specialized resources for tech-based companies, including funding opportunities and workforce recruitment and training, designed to jump-start your existing Delaware business or start-up to success. Delaware Economic Develop. Office  
99 Kings Hwy.  
Dover, DE 19901  
302-739-4271 • 302-739-5749 F  
Alan Levin, Director  
alan.levin@state.de.us

### WILMINGTON OFFICE:

820 N. French St.  
Wilmington, DE 19801  
302-577-8496 • 302-577-8499 F  
Ken Anderson, Director, Entrepreneurial and Small Business Dev. Center of Excellence  
kenneth.r.anderson@state.de.us  
Sonia Aguilar, Acting Dir. of Workforce Dev.  
sonia.aguilar@state.de.us  
www.dedo.delaware.gov/Entrepreneurs.shtml

Joe Zilcosky, Business Development Leader,  
Kent County  
820 N. French St.  
Wilmington, DE 19801  
302-577-8708  
joe.zilcosky@state.de.us

Melody Booker, Business Development  
Leader, Sussex County  
99 Kings Hwy  
Dover, DE 19901  
302-672-6840  
Melody.booker@state.de.us

### DELAWARE INSURANCE DEPARTMENT

841 Silver Lake Blvd.  
Dover, DE 19904  
302-674-7300  
Mitch Crane  
www.state.de.us/inscom

### SMALL BUSINESS CAUCUS

Delaware House of Representatives  
302- 577-8476 • 302-577-6701 F  
www.dehousedems.com

### SUSSEX ECONOMIC DEVELOPMENT ACTION COMMITTEE (SEDAC)

Patti Grimes, President  
www.sedac-de.org

## Main Street Communities

### DELAWARE MAIN STREET PROGRAM DELAWARE ECONOMIC DEVELOPMENT OFFICE

99 Kings Hwy.  
Dover, DE 19901  
302-739-4271 • 302-739-2028 F  
Diane Laird, State Coordinator  
diane.laird@state.de.us  
<http://mainstreet.visitdelaware.com>  
Delaware Main Street's mission is to provide Delaware's historic downtowns, communities, and small businesses with tools to revitalize their commercial districts, increase entrepreneurial opportunity and enhance quality of place.

### DELAWARE CITY

#### MAIN STREET DELAWARE CITY, INC.

60 Clinton St./P.O. Box 23  
Delaware City, DE 19706  
302-838-8740 • 302-832-5545 F  
Paul Morrill, Board President  
pmorrill@ci.delaware-city.de.us  
www.delawarecityinfo

### DOWNTOWN DOVER PARTNERSHIP

101 W. Loockerman St., Ste. 1A  
Dover, DE 19904  
302-678- 2940 • 302-678-2132 F  
Ed Perez  
edperrez@doverde.net  
www.downtowndoverpartnership.com

### MAIN STREET WILMINGTON

409 N. Orange St./P.O. Box 2000  
Wilmington, DE  
302-425-5373 • 302-425-4178 F  
Will Minster  
wminster@downtownvisions.org  
www.mainstreetwilmingtonde.org



# OTHER ASSISTANCE

## MIDDLETOWN MAIN STREET

19 W. Green St.  
Middletown, DE 19709  
302-378-2977 • 302-378-5672 F  
Tracy Skrobot, Program Manager  
tskrobot@middletownde.org  
www.middletownde.org

## MILFORD

### DOWNTOWN MILFORD, INC.

7 S. Washington St.  
Milford, DE 19963  
302-839-1180  
Beth Durham, Program Manager  
beth@downtownmilford.org  
www.downtownmilford.org

## DOWNTOWN NEWARK PARTNERSHIP CITY OF NEWARK

220 Elkton Rd.  
Newark, DE 19711  
302-366-7030 • 302-366-7160 F  
Maureen Feeney Roser  
mfraser@newark.de.us  
www.cityofnewarkde.us  
www.enjoydowntownnewark.com

## REHOBOTH BEACH MAIN STREET

28 Lake Ave./P.O. Box 50  
Rehoboth, DE 19971  
302-227-2772 • 302-227-0149 F  
Jennifer Barger, Executive Director  
jenny@downtownrehoboth.com  
www.downtownrehoboth.com

## GREATER BRANDYWINE VILLAGE

1901 N. Market St.  
Wilmington, DE 19802  
302-571-9050 • 302-651-3470 F  
Steve Kuzmicki, Executive Director  
skuzmicki@brandywinevillage.org  
www.brandywinevillage.org

## INTERNAL REVENUE SERVICE SMALL BUSINESS AND SELF EMPLOYED ONE-STOP RESOURCE

www.irs.gov/businesses

## LOCAL OFFICES:

844 King St.  
Dover, DE 19801  
302-573-6343

300 S. New St.  
Dover, DE 19904  
302-678-2784

21309 Berlin Rd., Unit 13  
Georgetown, DE 19947  
302-855-0309

## KENT COUNTY LEVY COURT

Kent County Administrative Complex  
555 Bay Rd.  
Dover, DE 19901  
302-744-2300  
www.co.kent.de.us

## NEW CASTLE COUNTY GOVERNMENT CENTER

87 Reads Way  
New Castle Corporate Commons  
New Castle, DE 19720  
302-395-5555 • 302-395-5545 F  
www.co.new-castle.de.us

## NCC DEPARTMENT OF LAND USE

CRA/Complaints 302-395-5555  
Customer Service 302-395-5400  
Inspection Scheduling 302-395-5515

## NCC PURCHASING DIVISION

302-395-5250  
www.co.new-castle.de.us/purchrfp

## NEW CASTLE COUNTY ECONOMIC DEVELOPMENT COUNCIL

12 Penn's Way  
New Castle, DE 19720  
302-294-2058 • 302-737-8450 F  
Bob Chadwick, Vice President of Business  
and Economic Development  
chadwickb@nccdc.com  
www.nccdc.com

## STATE TREASURER'S OFFICE

820 Silver Lake Blvd., Ste. 100  
Dover, DE 19904  
302-672-6700 • 302-739-2274 F  
Chip Flowers, State Treasurer  
statetreasurer@state.de.us  
www.treasury.Delaware.gov

## SUSSEX COUNTY

2 The Circle  
Georgetown, DE  
302-855-7700  
www.sussexcountye.gov  
Assessment 302-855-7824  
Building Code 302-855-7860  
Planning & Zoning 302-855-7878

## SUSSEX COUNTY OFFICE OF ECONOMIC DEVELOPMENT

21911 Rudder Ln./P.O. Box 589  
Georgetown, DE 19947  
302-855-7793 • 302-855-7805 F  
Julie Wheatley  
jwheatley@sussexcountye.gov  
www.sussexcountye.gov

## USDA RURAL DEVELOPMENT BUSINESS AND COMMUNITY PROGRAMS

1221 College Park Dr., Ste. 200  
Dover, DE 19904  
302-857-3625 • 302-857-3535 F  
302-857-3585 TTY  
Denise E. MacLeish  
Denise.macleish@de.usda.gov  
www.rurdev.usda.gov

## U.S. DEPARTMENT OF COMMERCE MINORITY BUSINESS DEVELOPMENT AGENCY

Philadelphia Regional Enterprise Center  
600 Arch St., Ste. 10128  
Philadelphia, PA 19106  
215-861-3597 • 215-861-3595 F  
Alfonso Jackson, Business Dev. Spec.  
ajackson@mbda.gov  
www.mbda.gov

## U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

One Rodney Sq., 920 King St., Ste. 404  
Wilmington, DE 19801  
302-573-6300 • 302-573-6259 F  
Contact: John Magee  
John.magee@hud.gov  
www.hud.gov or www.hud.gov/delaware

## U.S. DEPARTMENT OF LABOR VETERAN EMPLOYMENT & TRAINING

4425 N. Market St. Annex, Ste. 108  
Wilmington, DE 19802  
302-761-8139 • 302-761-4676 F  
David B. Rich, Director  
dlabor@state.de.us  
www.dol.gov/vets

## U.S. ENVIRONMENTAL PROTECTION AGENCY BUSINESS ASSISTANCE CENTER (3EA40)

1650 Arch St.  
Philadelphia, PA 19103  
800-228-8711 • 215-814-2783 F  
David Byro, Small Business Liaison  
www.epa.gov/regiona03/sbac

## U.S. EXPORT ASSISTANCE CENTER (USEAC)

U.S. Small Business Administration (SBA)  
601 Walnut St., Ste. 580 W.  
Philadelphia, PA 19106  
215-597-6110 • 202-481-5216 F  
Robert Elsas, Regional Manager  
robert.elsas@trade.gov  
www.sba.gov/international

## U.S. FOOD AND DRUG ADMINISTRATION

U.S. Customs House, Rm. 900  
200 Chestnut St.  
Philadelphia, PA 19106  
215-715-3071 • 215-857-3535 F  
Contact: Steven Carter  
steven.carter@fda.hhs.gov  
www.fda.gov

## U.S. INTERNAL REVENUE SERVICE

Small Business Division  
31 Hopkins Plz.  
Baltimore, MD 21201  
410-962-7969  
www.irs.ustreas.gov

## Business Organizations

### AMERICAN HOTEL AND LODGING ASSOCIATION

1201 New York Ave., Ste. 600  
Washington, DC 20005  
202-289-3100 or 202-289-3199  
eiinfo@ahla.com  
www.ahla.com

### AMERICAN INSTITUTE OF ARCHITECTS

1735 New York Ave. N.W.  
Washington, DC 20006  
202-626-7300 or 800-AIA-3837  
202-626-7547 F  
infocentral@aia.org  
www.aia.org

## AMERICAN MARKETING ASSOCIATION

311 S. Wacker Dr., Ste. 5800  
Chicago, IL 60606  
800-AMA-1150 or 312-542-9000  
312-542-9000 F  
www.marketingpower.com

## THE AMERICAN SMALL BUSINESS COALITION

1750 Tysons Blvd., Ste. 1500  
McLean, VA 22102  
800-422-4960 or 410-381-7378 ext. 112  
410-381-7378 F  
info@theasbc.org  
www.theasbc.org

## ASSOCIATED BUILDERS AND CONTRACTORS

31 Blevins Dr., Ste. B  
Airport Industrial Park  
New Castle, DE 19720  
302-328-1111 • 302-323-1122 F  
ecapodanno@abdcdelaware.com  
www.abdcdelaware.com

## BETTER BUSINESS BUREAU OF DELAWARE

60 Reads Way  
New Castle, DE 19720  
302-230-0108 • 302-230-0116 F  
Christine Sauers, President  
info@delaware.bbb.org  
www.delaware.bbb.org

## BIOTECHNOLOGY INDUSTRY ORGANIZATION

1201 Maryland Ave. S.W., Ste. 900  
Washington, DC 20024  
202-962-9200 • 202-488-6301 F  
info@bio.org  
www.bio.org

## CLAYMONT BUSINESS OWNERS ASSOCIATION

902 Harvey Rd., #A  
Claymont, DE 19703  
302-798-2732  
Brett Saddler  
www.claymontdevelopment.org

## COALITION OF ORGANIZATIONS FOR DELAWARE ENTREPRENEURS (CODE)

c/o DFLI-DE Money School  
3301 Green St.  
Claymont, DE 19703  
302-792-1200 • 302-792-1050 F  
Karen Graham  
karen@dfli.org  
www.delawarecode.org

## COMMERCIAL INDUSTRIAL REALTY COUNCIL

P.O. Box 1789  
Wilmington, DE 19899  
302-633-1705 • 302-633-1706 F  
Janet Pippert, Business Manager  
janet@circdelaware.org  
www.circdelaware.net

# OTHER ASSISTANCE

## COMMITTEE OF 100

704 N. King St., Ste. 512  
Wilmington, DE 19801  
302-654-6115 • 302-654-1556 F  
Paul H. Morrill Sr.  
pmorrill@committeeof100.com  
www.committeeof100.com

## DELAWARE ASSOCIATION OF REALTORS

134 E. Water St.  
Dover, DE 19901  
302-734-4444 • 302-734-1341 F  
Denise Tatman  
info@delawarerealtor.com  
www.delawarerealtor.com

## DELAWARE AUTOMOBILE & TRUCK DEALERS ASSOCIATION

32 W. Lookerman St., Ste. 101C  
Dover, DE 19904  
302-734-3127 • 302-734-5402 F

## DELAWARE BANKERS ASSOCIATION

8 W. Lookerman St., Ste. 200/P.O. Box 781  
Dover, DE 19903  
302-678-8600 • 302-678-5511 F  
Dave Bakerian, President/CEO  
david.bakerian@debankers.com  
www.debankers.com

## DELAWARE BIOTECH INSTITUTE

1 Innovation Way, Ste. 300  
Newark, DE 19711  
302-452-1104 • 302-452-1101 F  
Alok Patel, Marketing Coordinator  
Info@delawarebio.org  
www.delawarebio.org

## DELAWARE COMMUNITY REINVESTMENT ACTION COUNCIL, INC.

601 N. Church St.  
Wilmington, DE 19801  
302-654-5024  
Rashmi Rangan, Executive Director  
rashmi@dcrac.org  
www.dcrac.org

## DELAWARE CONTRACTORS ASSOCIATION

527 Stanton - Christiana Rd.  
Newark, DE 19713  
P.O. Box 6520  
Wilmington, DE 19804-0120  
302-994-7442 • 302-994-8185 F  
John Casey, Sr.  
www.e-dca.org

## DELAWARE FINANCIAL LITERACY INSTITUTE

### DELAWARE MONEY SCHOOL

3301 Green St.  
Claymont, DE 19703  
302-792-1200 or 302-792-1050  
Ronni Cohen, Executive Director  
ronni@dfli.org  
www.delawaremoneyschool.com

## DELAWARE MANUFACTURING EXTENSION PARTNERSHIP

400 Stanton-Christiana Rd., Ste. A158  
Newark, DE 19713  
302-283-3131  
Steve Quindlen  
squindlen@demep.org  
www.demep.org

## DELAWARE RESTAURANT ASSOCIATION

P.O. Box 8004  
Newark, DE 19714  
866-DRA-2545 • 302-738-2546 F  
Carrie Leishman, President/CEO  
delrestadmin@gmail.com  
www.delawareresaurant.org

## DELAWARE RETAIL COUNCIL

1201 N. Orange St., Ste. 200/P.O. Box 671  
Wilmington, DE 19801  
302-576-6578 • 302-654-0691 F  
Greg Gross, Executive Director  
ggross@dscc.com  
www.dscc.com

## DELAWARE SOCIETY OF CPAS

8 The Commons  
3512 Silverside Rd.  
Wilmington, DE 19810  
302-478-7442 • 302-478-7412 F  
www.dscca.org

## DELAWARE STATE BAR ASSOCIATION

301 N. Market St.  
Wilmington, DE 19801  
302-658-5279 • 302-658-5212 F  
800-292-7869 Kent and Sussex Co.  
www.dsba.org

## DELAWARE STATE DENTAL SOCIETY

200 Continental Dr., Ste. 111  
Newark, DE 19713  
302-368-7634 • 302-368-7669 F  
www.delawarestatedentalsociety.org

## DELAWARE TECHNOLOGY PARK, INC.

1 Innovation Way, Ste. 300  
Newark, DE 19711  
302-452-1100 • 302-452-1101 F  
J. Michael Bowman, Chairman and  
President  
mike.bowman@deltechpark.org  
www.deltechpark.org

## DELAWARE TRIAL LAWYERS ASSOC.

913 Market St., Ste. 315  
Wilmington, DE 19801  
302-421-2801 • 302-421-2803 F  
Carolyn Donofrio, Executive Director  
www.dtlaw.org

## DELACCESS CONSORTIUM

1 Innovation Way, Ste. 304  
Newark, DE 19711  
302-266-6150 • 302-861-1409 F  
info@delaccess.org  
www.delaccess.org

## DELMARVA POULTRY INDUSTRY, INC.

16686 County Seat Hwy.  
Georgetown, DE 19947-4881  
302-856-9037 • 302-856-1845 F  
Bill Satterfield, Executive Director  
dpi@dpichicken.com  
www.dpichicken.org

## DIRECT MARKETING ASSOCIATION

1120 Avenue of Americas  
New York, NY 10036  
212-768-7277 • 212-302-6714 F  
customerservice@the-dma.org  
www.the-dma.org

## EARLY STAGE EAST

Three Mill Rd., Ste. 201A  
Wilmington, DE 19806  
302-777-2460 • 302-777-1620 F  
Dana Kaess, Executive Director  
info@earlystageeast.org  
www.earlystageeast.org

## ENTREPRENEUR RESOURCE CENTER FIRST STATE COMMUNITY ACTION AGENCY, INC.

Stanford L. Bratto Bldg.  
308 N. Railroad Ave.  
Georgetown, DE 19947  
302-856-7761 • 302-856-2599 F  
Contact: Bernice Edwards, Executive Dir.  
bedwards@firststatecaa.org  
www.firststatecaa.org

## THE FAMILY BUSINESS INSTITUTE

4700 Homewood Ct., Ste. 340  
Raleigh, NC 27609  
877-326-2493 • 919-783-1892 F  
info@familybusinessinstitute.com  
www.familybusinessinstitute.com

## FIRST STATE COMMUNITY LOAN FUND

Community Service Bldg.  
100 W. 10th St., Ste. 1005  
Wilmington, DE 19801  
302-652-6774 • 302-656-1272 F  
Van Hampton, Executive Director  
dlee@firststateloan.org  
www.firststateloan.org

## FIRST STATE INNOVATION

901 Market St., Ste. 1400  
Wilmington, DE 19801  
302-888-5756 • 302-888-5700 F  
info@firststateinnovation.org  
www.firststateinnovation.org

## HOME BUILDERS ASSOCIATION OF DELAWARE

1600 N. Little Creek Rd.  
Dover, DE 19901  
302-678-1520 • 302-444-8068 F  
Mark Grahne, President  
info@hbade.org  
www.hbade.org

## INDEPENDENT INSURANCE BROKER

5050 Ritter Rd./P.O. Box 2023  
Mechanicsburg, PA 17055  
800-998-9644 or 717-795-9100  
717-795-8347 F  
Pamela Smith, Executive Director  
aalto@iiaad.org  
www.iiaad.org

## INTERNATIONAL ASSOCIATION OF HOME BUSINESS ENTREPRENEURS

5945 Cornhusker Hwy., Ste. A  
Lincoln, NE 68507  
402-434-8480 • 402-434-8483 F  
mail@IAHBE.org  
www.iahbe.org

## LIFE SKILL TRAINING/SMALL BUSINESS ADVOCACY PROGRAM FIRST STATE COMMUNITY ACTION AGENCY

308 N. Railroad Ave.  
Georgetown, DE 19947  
302-856-7761 ext.130  
302-856-2599 F  
Bernice Edwards, Executive Director  
bedwards@firststatecaa.org  
www.firststatecaa.org

## MARYLAND/DELAWARE/DC PRESS ASSOCIATION

2191 Defense Hwy., Ste. 300  
Crofton, MD 21114  
410-721-4000 • 410-721-4557 F  
Jack Murphy, Executive Director  
info@mddcpress.com  
www.mddcpress.com

## MEDICAL SOCIETY OF DELAWARE

900 Prides Crossing  
Newark, DE 19713  
302-366-1400 • 302-366-1354 F  
info@medsodel.org  
www.medsodel.org

## NATIONAL ASSOCIATION OF MANUFACTURERS

1331 Pennsylvania Ave. N.W., Ste. 600  
Washington, DC 20004  
202-637-3000 • 202-637-3182 F  
manufacturing@nam.org  
www.nam.org

## NATIONAL ASSOCIATION FOR THE SELF-EMPLOYED

P.O. Box 241  
Annapolis Junction, MD 20701-0241  
800-649-6273 • 800-551-4446 F  
www.nase.org

## NATIONAL ASSOCIATION OF SMALL DISADVANTAGED BUSINESSES

5520 Waters Dr.  
Savannah, GA 31406  
301-588-9312  
www.nasdb.org

# OTHER ASSISTANCE

## NATIONAL ASSOCIATION OF WHOLESALE-DISTRIBUTORS

1325 G St., Ste. 1000  
Washington, DC 20005  
202-872-0885 • 202-785-0586 F  
naw@nawd.org  
www.naw.org

## NATIONAL CONTRACT MANAGEMENT ASSOCIATION

21740 Beaumeade Cir., Ste. 125  
Ashburn, VA 20147  
571-382-0082 • 703-448-0939 F  
www.ncmahq.org

## NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)

53 Century Blvd., Ste. 250  
Nashville, TN 37214  
800-634-2669 or 615-872-5800  
www.NFIB.org

## NATIONAL RESTAURANT ASSOCIATION

2055 L St. N.W.  
Washington, DC 20036  
202-331-5900 or 800-424-5156  
202-331-2429 F  
www.restaurant.org

## NATIONAL RETAIL FEDERATION

325 7th St. N.W., Ste. 1100  
Washington, DC 20004  
800-673-4692 • 202-737-2849 F  
www.nrf.com

## NATIONAL SMALL BUSINESS ASSOCIATION

1156 15th St. N.W., Ste. 1100  
Washington, DC 20005  
800-345-6728 • 202-872-8543 F  
Todd McCracken, President  
tmccracken@nsba.biz  
www.nsba.biz

## PUBLIC RELATIONS SOCIETY OF AMERICA

33 Maiden Ln., 11th Fl.  
New York, NY 10038  
William Murray, President  
212-460-1400 • 212-995-0757 F  
www.prsa.org

## RIVERFRONT DEVELOPMENT CORPORATION OF DELAWARE

Chase Center on the Riverfront  
815 Justison St.  
Wilmington, DE 19801  
302-425-4890 • 302-425-4897 F  
Michael Purzycki, Executive Dir.  
info@riverfrontwilm.com  
www.riverfrontwilm.com

## SMALL BUSINESS ALLIANCE DELAWARE STATE CHAMBER OF COMMERCE

1201 N. Orange St., Ste. 200  
Wilmington, DE 19801  
302-655-7221 • 302-654-0691 F  
Denece Crumrine, Mgr Small Bus. Alliance  
www.dscc.com

## SMALL BUSINESS & ENTREPRENEURSHIP COUNCIL

301 Maple Ave. W., Ste. 690  
Vienna, VA 22180  
703-242-5840 • 703-242-5841 F  
Karen Kerrigan, President  
info@sbecouncil.org  
www.sbecouncil.org

## UNIVERSITY OF DELAWARE OFFICE OF ECONOMIC INNOVATION & PARTNERSHIPS

One Innovation Way, Ste. 500  
Newark, DE 19711  
David Weir, Director  
302-831-7140  
dsweir@udel.edu  
www.udel.edu/oeip

## WILMINGTON ECONOMIC DEVELOPMENT CORP. (WEDCO)

Community Services Bldg.  
100 W. 10th St., Ste. 706  
Wilmington, DE 19801  
302-571-9088 • 302-652-5679 F  
William Abernethy, Exec. Director  
wabernethy@wedco.org  
www.wedco.org

## WILMINGTON RENAISSANCE CORP. (WRC)

100 W. 10th St., Ste. 206  
Wilmington, DE 19801  
302-425-5500 • 302-425-2485 F  
Carrie W. Gray, Managing Dir.  
carriegrays@  
downtownwilmington.com  
www.downtownwilmington.com

## WORLD TRADE CENTER DELAWARE

702 West St.  
Wilmington, DE 19801  
302-656-7905 • 302-656-7956 F  
Rebecca Faber, Executive Director  
info@wtcd.com  
www.wtcd.com

## YOUNG PRESIDENTS' ORGANIZATION

600 E. Las Colinas Blvd., Ste. 1000  
Irving, TX 75039  
972-587-1500 or 800-773-7976  
AskYPO@YPO.org  
www.ypo.org

## Minority Business Organizations

### CHINESE AMERICAN COMMUNITY CENTER

P.O. Box 849  
Hockessin, DE 19707  
302-239-0432 • 302-239-1067 F  
cacc\_de@hotmail.com  
www.caccdelaware.org

## THE INDO-AMERICAN ASSOCIATION OF DELAWARE (IAAD)

www.iaadelaware.org

### LA ESPERANZA

216 N. Race St.  
Georgetown, DE 19947  
302-854-9262 • 302-854-9277 F  
Matthew Haley, President  
info@laesperanza.org  
www.laesperanza.org

## THE METROPOLITAN WILMINGTON URBAN LEAGUE, INC.

100 W. 10th St., Ste. 710  
Wilmington, DE 19801  
302-622-4300 • 302-622-4303 F  
info@mwul.org  
www.mwul.org

## MINORITY SUPPLIER DEVELOPMENT COUNCIL OF PA-NJ-DE

42 S. 15th St., Ste. 1400  
Philadelphia, PA 19102  
215-569-1005 • 215-569-2667 F  
info@msdc-panjde.org  
www.msdc-panjde.org

## Women's Business Organizations

### ASSOCIATION FOR WOMEN IN COMMUNICATIONS

3337 Duke St.  
Alexandria, VA 22314  
703-370-7436 • 703-342-4311 F  
Pamela Valenzuela, Executive Dir.  
info@womcom.org  
www.womcom.org

### CENTER FOR WOMEN'S BUSINESS RESEARCH

1760 Old Meadow Rd., Ste. 500  
McLean, VA 22102  
info@womensbusinessresearch.org  
www.womensbusinessresearch.org

### DELAWARE COMMISSION FOR WOMEN

The Carvel St. Bldg.,  
820 N. French St., 4th Fl.  
Wilmington, DE 19801  
302-577-5287 • 302-577-7113 F  
Romona S. Fullman, Executive Dir.  
www.commissionforwomen.  
delaware.gov

### DELAWARE OFFICE OF MINORITY AND WOMEN BUSINESS ENTERPRISE OFFICE OF MANAGEMENT & BUDGET

Haslet Armory  
122 William Penn St.  
Dover, DE 19901  
302-739-4206 • 302-739-5661 F  
Pete Teague, acting Exec. Director  
pete.teague@state.de.us  
www.omwbe.delaware.gov

### FORUM FOR EXECUTIVE WOMEN

P.O. Box 1796  
Wilmington, DE 19899-1796  
302-792-0100 • 302-792-0111 F  
deforum@aol.com  
www.fewde.com

### NATIONAL ASSOCIATION FOR FEMALE EXECUTIVES

2 Park Ave.  
New York, NY 10016  
www.nafe.com

### NATIONAL ASSOCIATION OF WOMEN BUSINESS OWNERS (NAWBO DELAWARE, INC.)

P.O. Box 4657  
Greenville Station  
Greenville, DE 19807  
302-559-9080  
info@nawbodelaware.org  
www.nawbodelaware.org

### NATIONAL ASSOCIATION OF WOMEN IN CONSTRUCTION (NAWIC)

CHAPTER 96  
P.O. Box 96  
Montchanin, DE 19710  
302-322-6161  
Gladys King, President  
www.nawicde.org

### NATIONAL COALITION OF 100 BLACK WOMEN DELAWARE CHAPTER

100 W. 10th St., Ste. 1004  
Wilmington, DE 19801  
302-658-0410  
Janet Williams-Coger, President  
www.nc100bwde.org

### NETWORK TO ENCOURAGE WOMEN'S SUPPORT (NEWS)

NEWS4WOMEN  
P.O. Box 4285  
Greenville Station  
Greenville, DE 19807  
302-388-2885  
info@news4women.org

### UNIVERSITY OF DELAWARE OFFICE OF WOMEN'S AFFAIRS

305 Hullihen Hall  
Newark, DE 19716  
302-831-8063 • 302-831-2063 F  
www.udel.edu/OWA

### WILMINGTON WOMEN IN BUSINESS (WWB)

P.O. Box 100  
Hockessin, DE 19707  
302-656-4411 • 610-347-0438 F  
Cindy Cheyney  
office@wwb.org  
www.wwb.org

## WOMEN'S BUSINESS ENTERPRISE NATIONAL COUNCIL

1120 Connecticut Ave. N.W.,  
Ste. 1000  
Washington, DC 20036  
202-872-5515  
info@wbenc.org  
www.wbenc.org

## WOMEN PRESIDENTS' ORGANIZATION

155 E. 55th St., Ste. 4-H  
New York, NY 10022  
212-688-4114 • 212-688-4766 F  
Marsha Firestone, President  
mfirestone@  
womenpresidentsorg.com  
www.womenpresidentsorg.com

## YWCA DELAWARE CENTER FOR WOMEN'S ENTREPRENEURSHIP

(SBA Women's Business Center)  
The Robscott Bldg.  
153 E. Chestnut Hill Rd.  
Newark, DE 19713  
302-224-4060 • 302-224-4057 F  
Deborah Bromiley, Director  
dbromiley@ywcade.org  
www.ywcade.org

### CENTRAL DELAWARE OFFICE

302-465-6870  
Bobbie Schmittinger  
bschmittinger@ywcade.org

### SOUTHERN DELAWARE OFFICE

20161 Office Cir., Ste. B  
Georgetown, DE 19947  
302-253-0684  
Brenda Whitehurst  
bwhitehurst@ywcade.org

## Credit Bureaus

### TRANSUNION:

P.O. Box 6790  
Fullerton, CA 92834-6790  
800-680-7289  
www.transunion.com

### EQUIFAX:

P.O. Box 740241  
Atlanta, GA 30374-0241  
800-525-6285  
www.equifax.com

### EXPERIAN:

P.O. Box 9532  
Allen, TX 75013  
1-888-EXPERIAN (397-3742)  
www.experian.com



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**S – Indicates The Lender Is an SBA Express Lender**

## Preferred Lenders

### BB&T (S)

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1300 S. Salisbury Blvd.  
Salisbury, MD 21801  
410-546-2302  
www.bbt.com

### BNB BANK, N.A.

1720 Marlton Pike E.  
Cherry Hill, NJ 08003  
856-751-0908  
www.bnbbank.com

### BORREGO SPRINGS BANK

Fred Crispin  
12121 Panama City  
Beach Pkwy.  
Panama City Beach, FL 32407  
866-644-0042  
www.borregospringsbank.com

### CITIZENS BANK (S)

Christopher V. Dempsey  
919 N. Market St.  
Wilmington, DE 19801  
302-256-2575  
www.citizensbank.com

### CONTINENTAL BANK

620 W. Germantown Pike  
Ste. 350  
Plymouth Meeting, PA 19462  
610-684-4200  
www.thecontinentalbank.com

### FULTON BANK (S)

Katie Wilkinson  
1013 Centre Rd., Ste. 104  
Wilmington, DE 19805  
302-633-7843  
www.fultonbank.com

### M&T TRUST COMPANY (S)

Pat Ponzo  
1100 N. Market St.  
Wilmington, DE 19890  
302-651-1252  
www.mtb.com

### METRO BANK

3801 Paxon St.  
Harrisburg, PA 19711  
888-937-0004  
www.mymetrobank.com

### NATIONAL PENN BANK (S)

100 E. Lancaster Ave.  
Downington, PA 19335  
610-269-2800  
www.knbt.com

### PNC BANK (S)

Brian Stillmock  
300 Delaware Ave.  
Wilmington, DE 19801  
302-429-1634  
www.pncbank.com

### SOVEREIGN BANK (S)

Elaine Bentley  
824 N. Market St.  
Wilmington, DE 19801  
302-654-5182  
www.sovereignbank.com

### SUPERIOR FINANCIAL GROUP, LLC (S)

Sue Malone  
165 Lennon Ln., Ste. 101  
Walnut Creek, CA 94598  
877-675-0500  
www.superiorfg.com

### SUSQUEHANNA BANK PA (S)

2951 Whiteford Rd.  
York, PA 17402  
717-755-6414  
www.susquehanna.net

### TD BANK (S)

John R. Walker  
2035 Limestone Rd.  
Wilmington, DE 19808  
302-683-6872  
www.tdbank.com

### UNITY BANK (S)

64 Old Hwy. 22  
Clinton, NJ 08809  
908-730-7630  
908-713-4391 F  
www.unitybank.com

### WELLS FARGO (S)

Doug Gries  
505 Carr Rd., 3rd Fl.,  
Rockwood Office Park  
Wilmington, DE 19809  
302-765-5510  
www.wellsfargo.com

### WSFS BANK (S)

Michael J. Ciavarelli  
500 Delaware Ave., 12th Fl.  
Wilmington, DE 19801  
302-654-2414  
www.wsfsbank.com

## Additional Lenders

### AMERICAN SPIRIT FEDERAL CREDIT UNION

Maurice Dawkins  
1110 Elkton Rd.  
Newark, DE 19711  
302-738-4515  
www.americanspirit.org

### APPLIED BANK

Nate Edmunds  
601 Delaware Ave.  
Wilmington, DE 19801  
302-326-4200 ext. 29528  
www.appliedbank.com

### ARTISANS BANK

Margo Reign  
2961 Centerville Rd.  
Wilmington, DE 19801  
302-884-6981  
www.artisansbank.com

### AURORA BANK

25510 Commercentre Dr.  
Ste. 100  
Lake Forest, CA 92630  
800-370-6357  
www.aurorabankfsb.com

### BANK OF AMERICA (S)

1100 N. King St.  
Wilmington, DE 19884  
302-765-2108  
www.bankofamerica.com

### BANCORP BANK

1818 Market St., 28th Fl.  
Philadelphia, PA 19103  
215-861-7931  
www.thebancorp.com

### BANK OF DELMARVA

2245 Northwood Dr.  
Salisbury, MD 21801  
410-548-1100  
www.bankofdelmarvahb.com

### CECIL BANK

Darrell Stayman  
127 North St.,  
Corporate Center  
Elkton, MD 21922  
410-398-1650  
www.cecilbank.com

### CIT SMALL BUSINESS LENDING CORP.

Frank Gallagher  
Buckingham Twp., PA 18912  
215-345-8520  
www.cit.com

### COMERICA BANK

55 River St.  
Santa Cruz, CA 95060  
512-427-7113  
www.comerica.com

### COMMUNITY BANK DELAWARE

Jack Riddle  
16982 Kings Hwy.  
Lewes, DE 19958  
302-348-8600  
www.communitybankdelaware.com

### DOVER FEDERAL CREDIT UNION

Lynne Schaefer  
1075 Silver Lake Blvd.  
Dover, DE 19904  
302-678-8000  
www.doverfcu.com

### EAGLE ONE FEDERAL CREDIT UNION

3512 Philadelphia Pike  
Claymont, DE 19703  
302-798-7749  
www.eagleonecu.com

### EASTON BANK & TRUST (S)

501 Idlewild Ave.  
Easton, MD 21601  
410-819-0300  
www.eastonbankandtrust.com

### THE FELTON BANK

120 W. Main St.  
P.O. Box 266  
Felton, DE 19943  
302-284-4600

### FIRST BANK OF DELAWARE

5301 Limestone Rd., Ste. 106  
Wilmington, DE 19808  
302-239-0595  
www.fbdcl.com

### FIRST NATIONAL BANK OF WYOMING (S)

Paul Hughes  
120 W. Camden-Wyoming Ave.  
Wyoming, DE 19934  
302-697-2666  
www.fnbwyominde.com

### FIRST CHATHAM BANK

P.O. Box 11167  
Savannah, GA 31401  
912-629-2900  
www.firstchatam.com

### FIRST FINANCIAL BANK

214 N. Washington  
El Dorado, AR 71730  
870-863-7000  
www.ffb1.com

### FIRST TENNESSEE BANK

P.O. Box 84  
Memphis, TN 38103  
901-543-3220  
www.firsttennessee.com

### HARLEYSVILLE NATIONAL BANK

100 E. Lancaster Ave.  
Downington, PA 19335  
610-269-2800  
www.harleysvillesavings.com

### HERITAGE WEST BANK

562 N. Main St.  
Tooele, UT 84074  
800-662-9522  
www.heritagebankwaonline2.com

### HOME LOAN BANK

1 Home Loan Plaza  
Warwick, RI 02886  
800-223-1700 ext. 299  
www.homeloanbank.com

### HSBC BANK USA (S)

1027 Arch St.  
Philadelphia, PA 19107  
215-592-7478  
www.us.hsbc.com

### INNOVATIVE BANK (S)

360 14th St.  
Oakland, CA 94612  
925-899-8449  
925-831-3217 F

### MIDCOAST COMMUNITY BANK

Jimmy Jarrell  
974 Justison St.,  
Shipyard Shops  
Wilmington, DE 19801  
302-250-4023  
www.midcoastbankonline.com

### MUTUAL OF OMAHA BANK

3333 Farnam St.  
Omaha, NE 68131  
866-351-5646  
Mutualofomahabank.com

### NCB, FSB DIVISION

2011 Crystal Dr., Ste. 800  
Arlington, VA 22202  
703-302-1945  
www.ncp.coop

### NEWTEK SMALL BUSINESS NATIONAL BANK FINANCE (S)

1440 Broadway, 17th Fl.  
New York, NY 10018  
212-356-9510  
www.newteksbfinance.com

### OCEAN CAPITAL

1 Home Loan Plz.  
Warwick, RI 02886  
800-223-1700 ext. 261  
www.ocean-capital.com

### ROYAL BANK AMERICA

1 Bala Plz., Ste. 231  
St. Asaphs Vatican Way  
Bala Cynwyd, PA 19004  
484-270-3000  
www.royalbankamerica.com

### SHINHAN BANK AMERICA – SBA LENDING DEPARTMENT (S)

211-11 Northern Blvd.  
Bayside, NY 11361  
718-799-7090  
718-224-6416 F  
www.shbamerica.com

### STEARNS BANK N.A.

140 Fifth St.  
Albany, MN 56307  
320-845-4988  
www.stearnsbank.com

### UNITED BANK OF PHILADELPHIA

30 S. 15th St., 12th Fl.  
Philadelphia, PA 19102  
215-231-3695  
www.ubphila.com

### UPLAND BUSINESS CAPITAL

Charles J. Snyder  
26 E. Second St., Ste. A-1  
Moorestown, NJ 08057  
856-324-8003 ext. 203  
www.uplandbusinesscapital.com

### VALLEY NATIONAL BANK

1334 U.S. Hwy. 22 E.  
North Plainfield, NJ 07060  
908-561-7122  
www.valleynationalbank.com

## SBA 504 Lenders

### DELAWARE COMMUNITY DEVELOPMENT COMPANY

Bill Abernathy  
100 W. 10th St., Ste. 706  
Wilmington, DE 19801  
302-571-9088  
www.wedco.org

### CHESAPEAKE BUSINESS FINANCE COMPANY

Mike Schwartz  
4606 Wedgewood Blvd.  
Frederick, MD 21703  
301-668-1844  
www.chesapeake504.com

### DELVAL BUSINESS FINANCE CORPORATION

Mike Schwartz  
6100 City Ave., Ste. P-218  
Philadelphia, PA 19131  
215-871-3770  
www.delval504.com

### MID-ATLANTIC BUSINESS FINANCE COMPANY

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