

# Small Business

## *Resource Guide*

NATIONAL EDITION  
SPRING 2022



*Start, Grow, Expand, and Recover  
Your Business*



U.S. Small Business  
Administration



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*On the cover: Jill Scarbro of Bright Futures Learning Services in Winfield, WV; Alice Kao of Sender One Climbing LLC in Santa Ana, CA ; and Efreem Fesaha of Boon Boona Coffee in Seattle, WA.  
Opposite page: Sarah Lieberman of Dandelion Cafe in Bellaire, TX.*

A portrait of Sarah Lieberman, a woman with long brown hair and a bright smile, wearing a blue lace top and a black cardigan. She is standing against a light-colored, textured wall. The image is partially obscured by a dark blue banner at the bottom which contains text.

## HOW THE SBA HELPED ME SUCCEED

*“Because of the [SBA] loans, I was able to change the way that we do business. With the [COVID-19] Economic Injury Disaster Loan, we were able to remodel our kitchen to be able to handle the capacity that we were at. After receiving the PPP loan, it was such a relief. I was able to take care of my people and not have to lay anybody off. With the availability of the SBA loans during COVID, we were really able to survive and be successful, so the SBA’s success has really been my success.”*

*—Sarah Lieberman, Dandelion Café*



# *A Message from the Administrator*

Welcome to the SBA 2022 Spring National Resource Guide! The hardworking, mission-focused team at the U.S. Small Business Administration created this guide to share valuable tools and services that exist to support you, America's 32.5 million small businesses and innovative startups, as you pursue the American dream of business ownership.



At the SBA, we know that small businesses are giants that define our neighborhoods, create the products and services we depend on every day, and propel innovation and the American economy. As the nation emerges from the COVID-19 pandemic, we're here to help you access the capital, market opportunities, and networks you need to rebuild, recover and thrive.

Within this guide, you'll learn how we can help you:

- Obtain funding for your business,
- Find training resources that fit your needs no matter where you are in your entrepreneurial journey,
- Tap into seed funding to develop and commercialize your innovation,
- Learn how to enter and grow your business in international markets, and
- Sell your goods and services to the world's largest buyer: the U.S. Government.

Beyond the guide, you'll discover how to connect with advisors and networks to help you navigate all these resources – through the SBA's 68 district offices and network of partners, which include Small Business Development Centers, Women's Business Centers, Veterans Business Outreach Centers, SCORE Mentoring network, Growth Accelerators, Community Navigators, and more.



Since its founding, the SBA has helped millions of small businesses and innovative startups at various stages of their entrepreneurial journeys. From the formation of a simple idea to securing capital, to expansion, we know that real-life success stories from fellow entrepreneurs can inspire and offer a roadmap to growth. In this guide, we've included inspirational stories that celebrate the American entrepreneurial spirit – and show the incredible promise that's unleashed when SBA products and services open doors and bridge gaps in our economy.

As the voice of America's small businesses, I am continually humbled and inspired by the resilience, creativity, and grit of American entrepreneurs. In the face of challenges and hardships, you've remained flexible and adapted to sustain communities across this country. As our economy continues on the road to recovery, the SBA is here to be part of your team – no matter where you live or who you are. Good ideas and good businesses come from anywhere and everywhere – which is why the SBA is working hard to meet our small businesses where they are with the help they need to start, grow and be resilient.

Thank you for all that you do to support communities, create jobs, and build the economy back better so that it works for every American.

Warmly,

**Isabella Casillas Guzman**

*27th Administrator*

*U.S. Small Business Administration*

# Local Business Assistance



## HOW I DID IT

### A Worthwhile Grind

*With the help of the SBA, Efrem Fesaha is brewing up an impactful experience in Seattle, WA.*

After a life-changing trip to Asmara, Eritrea, in 2011, Efrem Fesaha knew he had a story to share with his home community: the rich history of African coffee. Upon returning stateside, Efrem wanted to bring the unique experience of Ethiopian and Eritrean coffees to the people of Renton, WA, and the greater Seattle area. But even with a background in finance, he needed help in turning his dream into a reality. That's where the SBA came in.

## CHALLENGE

Efrem knew he needed capital to bring his vision to life. Hoping to secure the funds to open his café, he began pitching his business concept to local banks. Unfortunately, his loan applications were denied at every bank he visited. But Efrem didn't let the rejection keep him down. Like any other tenacious entrepreneur, he pivoted. It started with selling responsibly sourced green coffee beans from East African countries, an endeavor Efrem would

pursue for six years. Still, he found himself with unanswered questions about his ultimate goal of starting and effectively running a small business.

## SOLUTION

Efrem turned to the Greater Seattle SCORE office, an SBA Resource Partner, for guidance. It was there that his mentor assisted him in developing and implementing a business plan and mapping out realistic financial projections. While working with SCORE, Efrem attended a number of training sessions that gave him the tools he needed to get his business venture up and running. After six years of resilience and determination, Efrem received an SBA microloan that helped him bring his dream to fruition. The result was Boon Boona Coffee, a small business that hired 15 employees and grew 1,000% in revenue in its first year of operation.

## BENEFIT

Boon Boona Coffee is much more than a socially responsible café and roastery. After opening its doors in 2019, it became an inclusive space that serves as a community hub for everyone, including Black, Indigenous, and People of Color (or BIPOC), LGBTQ+, and other marginalized individuals. With every cup, Boon Boona Coffee prides itself on its positive impact in both the African and Seattle communities.

Efrem continues to work closely with the SBA through the COVID-19 pandemic. With SBA COVID-19 funding programs and mentors, including a Women's Business Center coach, Efrem's journey of providing African coffee as an experience lives on. "The SBA was successful in helping us because it was the only way we would be able to bring back our team," Efrem says. "It was the only way we could weather the storm."



COURTESY OF EFREM FESAHA.

*Efrem Fesaha, founder of Boon Boona Coffee in Seattle, WA*

## 3 Tips for Success

- ✓ **Find a great business mentor.** To find your local SBA office and Resource Partners in your area, visit [sba.gov/localassistance](https://sba.gov/localassistance).
- ✓ **Build a strong network.** Surround yourself with people who are smarter than you to complement your weaknesses and bring out your strengths. Join up with other entrepreneurs for virtual networking.
- ✓ **Don't cut corners.** As small business owners, sometimes you have to lose money to do quality work—it's difficult, but nothing is more important.

# Find Your Closest SBA Office for Small Business Assistance

For information on SBA offices and Resource Partners in your area, visit [sba.gov/localassistance](https://sba.gov/localassistance).

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[sba.gov/wy](https://sba.gov/wy)

*\*Missouri counties served by the SBA Kansas City District Office: Adair, Andrew, Atchison, Bates, Buchanan, Caldwell, Carroll, Cass, Chariton, Clay, Clinton, Cooper, Davies, DeKalb, Gentry, Grundy, Harrison, Henry, Holt, Howard, Jackson, Johnson, Lafayette, Linn, Livingston, Mercer, Nodaway, Pettis, Platte, Ray, Saline, Sullivan, and Worth.*

*Kansas counties served by the SBA Kansas City District Office: Allen, Anderson, Atchison, Bourbon, Brown, Cherokee, Coffey, Crawford, Doniphan, Douglas, Franklin, Jackson, Jefferson, Johnson, Labette, Leavenworth, Linn, Marshall, Miami, Montgomery, Nemaha, Neosho, Osage, Pottawatomie, Shawnee, Wilson, Woodson, and Wyandotte.*

# SBA Resource Partners

The SBA is here to help you achieve your dream, no matter your industry, location, or experience. Our SBA Resource Partners offer mentoring, counseling, and training to help you start, grow, expand, or recover. These independent organizations operating across the United States and U.S. territories are funded through SBA cooperative agreements or grants.

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## SMALL BUSINESS DEVELOPMENT CENTERS



900+

Your local SBDC provides aspiring entrepreneurs and existing small businesses, high quality, individualized, confidential no cost business counseling. Access to low or no cost training is also available on a variety of topics such as business planning, regulatory compliance, cybersecurity, e-commerce and more. Find an SBDC adviser at [sba.gov/sbdc](https://sba.gov/sbdc).

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## WOMEN'S BUSINESS CENTERS



130+

Women often face unique challenges when starting or growing a business. WBCs help women entrepreneurs level the playing field through tailored services like business counseling and training from a national network of community-based centers. To learn about SBA resources for women, visit [sba.gov/women](https://sba.gov/women).

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## SCORE



250+

Join the ranks of other business owners who have experienced higher revenues and increased growth thanks to SCORE, the nation's largest network of volunteer business mentors. Expert entrepreneurs share real-world knowledge via trainings, workshops, webinars, and more to fit your busy schedule. SCORE mentors are available for free as often as you need, in person, via email, or over video chat. Find a mentor at [sba.gov/score](https://sba.gov/score).

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## VETERANS BUSINESS OUTREACH CENTERS



20+

At VBOCs, military community entrepreneurs receive business training, counseling, referrals to other SBA Resource Partners, and procurement guidance to better compete for government contracts. VBOCs also serve active-duty service members, National Guard or Reserve members, veterans, and military spouses. Learn more at [sba.gov/vboc](https://sba.gov/vboc).



# Entrepreneurial Resources

## Community Navigators

The SBA works with 51 organizations across the country that partner with deeply trusted community-based organizations to help small businesses tap into critical SBA resources. These organizations deploy Navigators, community experts that provide a range of timely and no-charge business assistance services on an ongoing basis, including—but not limited to:

- Access to federal, state, and local resources
- Access to capital, counseling, and targeted educational resources (e.g., cybersecurity)
- Certification/procurement
- Digitization

To find a Navigator in your community, visit [sba.gov/navigators](https://sba.gov/navigators).

## Emerging Leaders Initiative

If you're an established business owner looking to take your company to the next level, the Emerging Leaders Initiative could be the right fit for you. This comprehensive curriculum draws on the experiences of advisors and business leaders in urban communities around the country to help high-potential small businesses in America's underserved cities accelerate their growth and emerge as a force in their communities. To apply, visit [sba.gov/emergingleaders](https://sba.gov/emergingleaders).

## Ascent

Are you a woman small business owner who is looking to grow and expand your business? Visit Ascent, [ascent.sba.gov](https://ascent.sba.gov), a free online learning platform to access valuable content, such as tips on preparing and recovering from disasters, strategic marketing, and business financial strategy development.

Ascent offers several key journeys to assist women business owners with strategies toward growth and success, including:

- Disaster and economic recovery
- Strategic marketing
- Your people
- Your business financial strategy
- Access to capital
- Government contracting

## Native American Workshops

American Indian, Alaska Native, and Native Hawaiian entrepreneurs are invited to participate in free training on how to start and grow a business from experienced leaders across multiple industries. The SBA Office of Native American Affairs, [sba.gov/naa](https://sba.gov/naa), partners with tribal organizations and professional service providers to offer customized workshops led by indigenous trainers and host organizations. To register for a workshop near you, call 1-800-U-ASK-SBA, visit [sba.gov/naa](https://sba.gov/naa), or contact your local SBA office, [sba.gov/localassistance](https://sba.gov/localassistance).

## SBA Learning Center

Find free short courses and learning tools to start and grow your small business at [sba.gov/learning](https://sba.gov/learning). The SBA Learning Center is a great resource for every entrepreneur, especially rural business owners looking for easy access to vital business training.

Courses include:

- Writing your business plan
- Understanding your customer
- Buying a business
- Marketing to win customers
- Legal requirements
- Financing options
- Disaster recovery

## Regional Innovation Clusters

Regional Innovation Clusters are geographically concentrated networking hubs of small businesses, suppliers, service providers, and related institutions that work together to maximize resources, compete on larger scales, and drive innovation and job creation. To learn more, get contact information, or obtain a complete list of SBA Regional Innovation Clusters, go to [sba.gov/localassistance](https://sba.gov/localassistance).



## Your Advocates

The SBA Office of Advocacy (Advocacy), the independent voice for small business within the federal government, handles proposed regulations. The Office of the National Ombudsman (Ombudsman) is here to assist small businesses with federal regulatory enforcement or compliance issues.

### ADVOCACY

Advocacy analyzes effects of proposed regulations and considers alternatives that minimize the economic impact on small businesses. It also represents small businesses before Congress, the White House, and federal agencies.

Found online at [advocacy.sba.gov](https://advocacy.sba.gov), Advocacy helps with these small business issues:

- If your business could be impacted by proposed government regulations
- If you need economic and small business statistics

### OMBUDSMAN

Ombudsman assists small businesses when they experience excessive or unfair federal regulatory enforcement actions, such as:

- Repetitive audits
- On-site inspections
- Excessive fines
- Penalties
- Burdensome compliance requirements
- Threats
- Retaliation
- Other unfair enforcement action by a federal agency

Your concerns will be directed to the appropriate federal agency for review. The SBA will collaborate with you and the agency to help resolve the issue.

You can also make your voice heard by participating in a Regional Regulatory Enforcement Fairness Roundtable or a public hearing hosted by the SBA National Ombudsman. The Ombudsman can be found online at [sba.gov/ombudsman](https://sba.gov/ombudsman).

**TO REPORT HOW**  
a proposed federal  
regulation could  
impact you, contact  
[advocacy.sba.gov/  
contact](https://advocacy.sba.gov/contact).



**TO REPORT HOW**  
your business  
has been hurt  
by unfair federal  
regulatory  
enforcement  
actions, visit [sba.gov/  
ombudsman/comments](https://sba.gov/ombudsman/comments).



# How to Start a Business

*Thinking of starting a business? It all begins with the fundamentals.*

## STARTUP LOGISTICS

Even home-based businesses must comply with many local, state, and federal regulations.

**Don't ignore these regulatory details.** You may avoid some red tape in the beginning, but your lack of compliance could become an obstacle down the road. Taking the time to research regulations is as important as knowing your market. Being out of compliance could jeopardize your business.

## MARKET RESEARCH

Knowing your potential competitors and customer base, including its spending habits, can give you a leg up. View consumer and business data for your area using the Census Business Builder: Small Business Edition. Filter your search by business type and location at [cbb.census.gov/sbe](http://cbb.census.gov/sbe).

## BUSINESS LICENSING, ZONING, AND REGISTRATION

Licenses are typically administered by state and local departments. Contact the local

business license office where you plan to locate your business. It's important to consider zoning regulations when choosing a site. You may not be permitted to conduct business out of your home or engage in industrial activity in a retail district. Register your business name with the county clerk where your business is located. If you're a corporation, also register with the state.

## TAXES

As a business owner, you should know your federal tax responsibilities and make some business decisions to comply with certain tax requirements. The IRS Small Business and Self-Employed Tax Center includes information on paying and filing income tax and finding an Employer ID Number here: [irs.gov/businesses/small-businesses-self-employed](https://irs.gov/businesses/small-businesses-self-employed).

Your tax obligations may change as the IRS continues to implement some of the Tax Cuts and Jobs Act provisions. For the latest tax reform updates that affect your bottom-line, visit [irs.gov/tax-reform](https://irs.gov/tax-reform).



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## SOCIAL SECURITY

If you have any employees, including officers of a corporation that are not the sole proprietor or partners, you must make periodic payments, and/or file quarterly reports about payroll taxes and other mandatory deductions. Contact the IRS or the Social Security Administration for information, assistance, and forms at (800) 772-1213 or visit [socialsecurity.gov/employer](https://socialsecurity.gov/employer). File W-2s online or verify job seekers through the Social Security Number Verification Service.

## EMPLOYMENT ELIGIBILITY VERIFICATION

Employers must verify employment eligibility of new employees according to the Federal Immigration Reform and Control Act of 1986. The law obligates an employer to process Employment Eligibility Verification Form I-9. The U.S. Citizenship and Immigration Service offers information and assistance through [uscis.gov/i-9-central](https://uscis.gov/i-9-central). For forms, see [uscis.gov/forms](https://uscis.gov/forms). For the employer hotline, call (888) 464-4218 or email [I-9central@dhs.gov](mailto:I-9central@dhs.gov).

E-Verify is the quickest way for employers to determine the employment eligibility of new hires by verifying the Social Security number and employment eligibility information

reported on Form I-9. Visit [e-verify.gov](https://e-verify.gov), call (888) 464-4218, or email [e-verify@dhs.gov](mailto:e-verify@dhs.gov).

## HEALTH AND SAFETY

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees. Visit [employer.gov](https://employer.gov) and [dol.gov](https://dol.gov). The Occupational Safety and Health Administration enforces federal workplace specific health and safety standards. Call (800) 321-6742 or visit [osha.gov](https://osha.gov).

## EMPLOYEE INSURANCE

Check your state laws to see if you must provide unemployment or workers' compensation insurance for your employees. For health insurance options, call the Small Business Health Options program at (800) 706-7893 or visit [healthcare.gov/small-businesses/employers/](https://healthcare.gov/small-businesses/employers/).

## ENVIRONMENTAL REGULATIONS

**Environmental Protection Agency Small Business Division:** [epa.gov/resources-small-businesses](https://epa.gov/resources-small-businesses)

State assistance is available for small businesses that comply with environmental regulations under the Clean Air Act. State Small Business Environmental Assistance programs provide free and confidential support to help small business owners understand and follow environmental regulations and permitting requirements. These state programs can help businesses lower emissions at the source, often reducing regulatory burden and saving money. To learn more about these free services, visit [nationalsbeap.org/states/list](https://nationalsbeap.org/states/list).

## ACCESSIBILITY AND ADA COMPLIANCE

For assistance with the Americans with Disabilities Act, call the ADA center at (800) 949-4232 or the Department of Justice



at (800) 514-0301. Direct questions about accessible design and the ADA standards to the U.S. Access Board at (800) 872-2253, [ta@access-board.gov](mailto:ta@access-board.gov), or visit [access-board.gov](https://access-board.gov). If you are deaf, hard of hearing, or have a speech disability, please dial 711, to access telecommunications relay services.

## CHILD SUPPORT

Employers are essential to the success of the child support program, contributing about 75% of funds nationwide through payroll deductions. You're required to report all new and rehired employees to the State Directory of New Hires. If you have employees in two or more states, you may register with the Department of Health and Human Services to report all your employees to one state. Find electronic income withholding orders and the Child Support Portal, which can be used to report information to nearly all child support agencies, at [acf.hhs.gov/programs/css/employers](https://acf.hhs.gov/programs/css/employers).

## INTELLECTUAL PROPERTY

Patents, trademarks, and copyrights are types of intellectual property that protect creations and innovations. The U.S. Patent and Trademark Office (USPTO) is the federal agency that grants U.S. patents and registers trademarks.

A patent for an invention is the grant of a property right to an inventor, issued by the USPTO. The right conferred by the patent grant is the right to exclude others from making, using, offering for sale, or selling the invention in the United States or importing the invention into the country. For information on patents and resources for inventors and entrepreneurs, visit [uspto.gov/inventors](https://uspto.gov/inventors).

A trademark or service mark includes any word, name, symbol, device, or combination used to identify and distinguish the goods and services

of one provider from others. Trademarks and service marks can be registered at both the state and federal level. The USPTO only registers federal trademarks and service marks, which may conflict with and supersede state trademarks. Learn more at [uspto.gov/trademarks](https://uspto.gov/trademarks).

For information and resources about U.S. patents and federally registered trademarks, consult [uspto.gov](https://uspto.gov), call (800) 786-9199, or find your nearest office at [uspto.gov/locations](https://uspto.gov/locations).

Copyrights protect original works of authorship, including literary, dramatic, musical and artistic, and certain other intellectual works, such as computer software. Copyrights do not protect facts, ideas, and systems, although they may protect the way they are expressed. For general information on copyrights, contact:

### U.S. Copyright Office

U.S. Library of Congress  
James Madison Memorial Building  
101 Independence Ave. SE  
Washington, DC 20540-4840  
(202) 707-3000 or toll free (877) 476-0778



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# 10 Steps to Start Your Business



*Starting a business involves planning, making key financial decisions, and completing a series of legal requirements.*

## 1 CONDUCT MARKET RESEARCH

Market research will tell you if there's an opportunity to turn your idea into a successful business. Gather information about potential customers and businesses already operating in both your geographic and subject area so you can use that information to find a competitive advantage.

## 2 WRITE YOUR BUSINESS PLAN

A business plan is the roadmap for structuring, running, and growing your new business. You'll use it to convince people that working with you and/or investing in your company is the right choice.

## 3 FUND YOUR BUSINESS

Your business plan will help you figure out how much money you'll need to get started. Investors or lenders will help you get the amount you need.

## 4 PICK YOUR BUSINESS LOCATION

Are you setting up a brick-and-mortar business, launching online, or both? This will impact your taxes, legal requirements, and revenue.

## 5 CHOOSE A BUSINESS STRUCTURE

The legal structure you choose for your business will affect your business registration requirements, how much you pay in taxes, and your personal liability ([see page 22](#)).

## 6 CHOOSE YOUR BUSINESS NAME

Your business name should reflect your brand. Check your secretary of state's website to make sure the one you want isn't already being used.

## 7 REGISTER YOUR BUSINESS

Once you've picked the perfect business name, it's time to make it legal and protect your brand. If you're doing business under a name

different than your own, you'll need to register with the federal government and often your state government.

## 8 GET FEDERAL AND STATE TAX IDS

You'll use your Employer Identification Number ([see page 27](#)) for important steps to start and grow your business, like opening a bank account and paying taxes. It's like a social security number for your business. Some, but not all, states require you to get a tax ID as well.

## 9 APPLY FOR LICENSES AND PERMITS

Keep your business running smoothly by staying legally compliant. The licenses and permits you need for your business vary by industry, state, and location.

## 10 OPEN A BUSINESS BANK ACCOUNT

A small business checking account can help you handle legal, tax, and day-to-day issues.

# Write Your Business Plan

*Your business plan is the foundation of your business. An SBA Resource Partner can help you write one.*



Your business plan is a roadmap for how to structure, run, and grow your new business. An effective one can help you get funding or bring on new business partners. Investors want to see a return on their investment. Your business plan is the tool you'll use to convince people that working with you—or investing in your company—is a smart decision.

Brainstorm with a business counselor ([see page 12](#) for more on SBA Resource Partners) and write a traditional business plan, which uses a standard structure and detailed sections. Once you've got it all down, you can then condense it into a lean startup business plan, which typically contains key points on only one page.

## TRADITIONAL BUSINESS PLAN FORMAT

You don't have to stick to the exact business plan template. Instead, use the sections that make the most sense for your business and your needs.

### ***Executive Summary***

Briefly summarize your company and why it will be successful. Include your mission statement, your product or service, and basic information about your company's leadership team, employees, and location. You should also provide financial information and high-level growth plans if you plan to ask for financing.

### ***Company Description***

Your company description is the place to boast about your strengths. Go into detail about the problems your business solves. Be specific as to audience and location. List out the consumers,

organizations, or businesses your company plans to serve. Explain the competitive advantages you have that will make your business successful.

Are there experts on your team? Have you found the perfect location?

### ***Market Analysis***

Demonstrate a solid understanding of your industry outlook and target market. This is where it pays to partner with an experienced business counselor from your local Small



## ***Traditional Business Plan Checklist***

- ☐ Executive summary
- ☐ Company description
- ☐ Market analysis
- ☐ Organization and management
- ☐ Service or product line
- ☐ Marketing and sales
- ☐ Funding request
- ☐ Financial projections
- ☐ Appendix

Business Development Center, SCORE, Women's Business Center, or Veterans Business Outreach Center—all these SBA Resource Partners provide free or low-cost business assistance.

Competitive research will show what other businesses are doing and their strengths. In your market research, look for trends and themes. What do successful competitors do? Why does it work? Can you do it better? Now's the time to answer these questions.

### ***Organization and Management***

How will your company be structured? Who will run it?

Use an organizational chart to show the hierarchy. Explain how each person's experience will contribute to the success of your venture. Consider including CVs of key members.

Describe the legal structure of your business. State whether you have or intend to incorporate your business as a C or an S corporation, form a general or limited partnership, or if you're a sole proprietor or limited liability company.

### ***Service or Product Line***

Describe what you sell or what service you offer. Explain how it benefits your customers and the product lifecycle. Share your plans for intellectual property, like copyright or patent filings. If you're doing research and development for your service or product, explain it.



### ***Marketing and Sales***

Your marketing strategy should evolve to fit your needs in a growing economy. Describe how you'll attract and retain customers. Show how a sale will actually happen. You'll refer to this section later when you make financial projections, so be thorough.

### ***Funding Request***

If you're asking for funding, outline your funding requirements. Specify whether you want debt or equity and the terms you'd like. Your goal is to clearly explain how much funding you'll need over the next five years and how the investment will be used.

Specify why you need funding and explain how you'll pay off the debt.

### ***Financial Projections***

Show how your business will be a success by projecting a financial outlook for the next five years. Include forecasted income statements, balance sheets, cash flow statements, and capital expenditure budgets. Be even more specific for the first year. Use quarterly—or even monthly—projections. Explain your projections and match them to your funding requests.

If your business is already established, include income statements, balance sheets, and cash flow statements for the last three to five years. List collateral you could put against a loan.

Use visual organization tools to tell your business's financial story.

### ***Appendix***

Attach supporting documents or other requested materials. Common items to include are credit histories, CVs, product pictures, letters of reference, licenses, permits, patents, legal documents, and other contracts.



## LEAN STARTUP PLAN FORMAT

A lean startup plan is a good thing to have on hand in case an investor asks for it, if your business is relatively simple, or if you plan to regularly change and refine as you go.

Lean startup plans use more visual organization tools and only a handful of elements to describe your company's value proposition, infrastructure, customers, and finances. Your business counselor can help you edit down into the Business Model Canvas or another lean startup template.

### ***Key Partnerships***

Note the other businesses you'll work with, such as suppliers, manufacturers, subcontractors, and strategic partners.

### ***Key Activities***

List the ways your business will gain a competitive advantage. Will you sell directly to consumers or use technology to tap into the sharing economy?

### ***Key Resources***

List resources you'll leverage to create value for your customer. Your most important assets include staff, capital, and intellectual property. Leverage business resources that might be available to women, veterans, Native Americans, and HUBZone-certified businesses.

### ***Value Proposition***

Make a clear and compelling statement about the unique value your company brings to the market.

### ***Customer Relationships***

Think through the customer journey from start to finish to describe how clientele will interact with your business. Will it be automated or personal? In person or online?

### ***Customer Segments***

Name your target market. Your business won't be for everybody. It's important to have a clear sense of who you serve.

### ***Channels***

List the most important ways you'll talk to your customers.

### ***Cost Structure***

Will your company focus on reducing cost or maximizing value? Define your strategy, then list the most significant costs you'll face.

### ***Revenue Streams***

Explain how your company makes money: direct sales, memberships fees, selling advertising space, etc. If your company has multiple revenue streams, list them all.



## ***Lean Startup Plan Checklist***

- ☐ Key partnerships
- ☐ Key activities
- ☐ Key resources
- ☐ Value proposition
- ☐ Customer relationships
- ☐ Customer segments
- ☐ Channels
- ☐ Cost structure
- ☐ Revenue streams

# What business structure is right for you?

<i>Structure</i>	<i>Control</i>	<i>Risk</i>	<i>Capital</i>
<b>SOLE PROPRIETORSHIP</b>	<ul style="list-style-type: none"> <li>• Owner has full control</li> </ul>	<ul style="list-style-type: none"> <li>• Personally liable for all debts/obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Company not taxable</li> <li>• Owner subject to self-employment tasks</li> <li>• Owner provides capital</li> </ul>
<b>PARTNERSHIPS</b>	<ul style="list-style-type: none"> <li>• Limited Partnerships can only have 1 general partner</li> <li>• General partners have greater control</li> </ul>	<ul style="list-style-type: none"> <li>• Separate and independent from its owners</li> <li>• General partners have unlimited liability</li> <li>• Limited partners' liability is limited to what they agree to contribute</li> </ul>	<ul style="list-style-type: none"> <li>• Profits are taxed as income based on ownership percentage or other criteria in the partnership agreement</li> <li>• General partners have no limits on profit dividends</li> <li>• Partners pay self-employment taxes</li> </ul>
<b>LIMITED LIABILITY COMPANY</b>	<ul style="list-style-type: none"> <li>• Members set up LLC agreement</li> </ul>	<ul style="list-style-type: none"> <li>• Members are not typically held liable for debts/obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Income passes through to members</li> <li>• Members may sell interests, but agreement and security laws may apply</li> </ul>
<b>CORPORATIONS</b>	<ul style="list-style-type: none"> <li>• Based off percentage of shares</li> <li>• Shareholders elect directors who manage business</li> </ul>	<ul style="list-style-type: none"> <li>• Members are not typically held liable for debts/obligations</li> </ul>	<ul style="list-style-type: none"> <li>• C corps are taxed at corporate rate and then again if distributed to shareholders in dividends</li> <li>• S corps allow profits and some losses to be passed to shareholders' personal income, avoiding corporate tax rate; but not shareholder distributions</li> <li>• Shares of stock are sold to raise capital; securities laws apply</li> </ul>

For more information on business structures and incorporating, contact your local SBA office or Resource Partner at [sba.gov/localassistance](https://sba.gov/localassistance). Consult with your tax and/or legal adviser to choose the structure that works best for your business. Visit [irs.gov](https://irs.gov) for the latest tax updates and forms.



# Reconnecting in the Age of COVID-19 Recovery

*Networking is a pillar of small business success. The SBA has tips for how you can do it safely and effectively in the current economic landscape.*

As rewarding as entrepreneurship is, there's one thing entrepreneurs across the board can agree on: Owning a small business can be stressful. That's why it's so important to have a support system you can turn to for advice, opportunities, and idea-sharing. Networking is the best way to build that system. But how do you establish and grow your network in a pandemic recovery economy?

It takes resilience and resourcefulness, traits that small business owners have in ample supply. But it also takes a little game planning. Consider the following strategies to engage with others, virtually and in person, as you work to expand your network in 2022 and beyond.

## 1 TAP INTO SCHOOL TIES

Have you been meaning to reconnect with that old classmate, teacher, or professor? Now is the time. Check into alumni publications like newsletters while you're at it. They can be a great way to let former peers and mentors

know what you're doing now. You never know: Renewing a relationship could open avenues for hiring and other opportunities down the line.

## 2 SIGN UP FOR A SPECIAL INTEREST CLASS

Special interest classes are a great way to pursue or renew any goals you may have gotten away from during the pandemic. Want to learn a new skillset or earn a certification? Looking to explore creative venues with like-minded people? Find small-group or online classes that match your interests or professional goals.

## 3 LINK UP WITH FORMER COWORKERS

You've wanted to reach out to that former coworker for a while. What's stopping you? Email them or send them a connection request on social media. Former coworkers can be valuable resources for feedback and contacts. More importantly, it's always good to bond over shared experiences.

## 4 SEARCH FOR A PROFESSIONAL CONFERENCE

Have you attended any conferences in the past? Many are returning to in-person or hybrid models after taking a hiatus or pivoting to a virtual setup. Search for new networking and growth development conferences specific to your industry. Get inspiration by attending an event that piques your interest, or take it a step further and register to sponsor or speak at one.

## 5 JOIN A SOCIAL MEDIA GROUP

It's a sign of the times: Interfacing with other business owners is as simple as signing onto Facebook, LinkedIn, or Meetup. Online groups have dominated the new economy. Many entrepreneurs have made the online push, using social media for recruiting, training, and more.

## 6 FIND A MENTOR THROUGH SCORE

Experts who volunteer with an organization called SCORE share real-world knowledge to fit your busy schedule. SCORE mentors are available for free as often as you need. Visit [sba.gov/score](https://sba.gov/score) to connect with a mentor via email or video chat.

## 7 ENROLL IN AN SBA WEBINAR OR WORKSHOP

Find your local district office at [sba.gov/localassistance](https://sba.gov/localassistance) and follow its news on Twitter. Sign up for email updates. Register for free webinars on diverse business topics like financing options, business certifications for government contracting, and navigating SBA disaster assistance. Wherever you are in the business lifecycle, the SBA is here to help.

### *How the SBA Helped Me Succeed*

When you take a dedicated and resourceful entrepreneur and add in some help from the SBA, you get a recipe for success. Just look at **Christopher Finnick**, CEO of Mama's Southern Style BBQ II in Vauxhall, NJ. When the COVID-19 pandemic hit, Christopher turned to his local Small Business Development Center for advice on how to keep his family owned and operated restaurant open. Aside from giving him guidance on pricing and sales, the New Jersey Small Business Development Center helped Christopher obtain disaster loans. As a result, Mama's Southern Style BBQ II has been able to remain open and keep its employees on payroll.







# Opportunities for Veterans

*Military community members become more successful entrepreneurs with the help of the SBA.*

## VETERANS BUSINESS OUTREACH CENTERS

Military community entrepreneurs receive business training, counseling, procurement guidance to better compete for government contracts, and referrals to other SBA Resource Partners at a Veterans Business Outreach Center (VBOC), [sba.gov/vboc](https://sba.gov/vboc). VBOCs also serve active-duty service members, National Guard or Reserve members, veterans of any era, and military spouses.

## BOOTS TO BUSINESS

Boots to Business (B2B) helps military community entrepreneurs explore business ownership and other self-employment opportunities while learning key business concepts. Attendees walk away with an overview of entrepreneurship and business ownership, including how to access startup capital using SBA resources. B2B is conducted on all military installations or virtually as part of the Department of Defense's Transition Assistance Program.

### Who's Eligible?

Service members transitioning out of active duty and military spouses. Boots to Business: Reboot, for veterans, National Guard or Reserve members and military spouses, teaches this entrepreneurship curriculum off base in

communities. Register for either B2B program at [sbavets.force.com](https://sbavets.force.com).

## ENTREPRENEURSHIP TRAINING

The SBA funds training programs for the veteran small business community. Learn more at [sba.gov/ovbd](https://sba.gov/ovbd).

### For Women Veterans

Receive entrepreneurial training geared toward women veterans, service members, and spouses through these SBA-funded programs:

- ONABEN in Tulsa, OK
- Veteran Women Igniting the Spirit of Entrepreneurship, or V-WISE, in Syracuse, NY
- LiftFund in San Antonio, TX

### For Service-Disabled Veterans

Learn how to start and grow a small business using these SBA-funded programs:

- Entrepreneurship Bootcamp for Veterans with Disabilities at the Institute for Veteran and Military Families at Syracuse University in Syracuse, NY
- Entrepreneurship Bootcamp for Veterans with Disabilities at St. Joseph's University in Philadelphia, PA

- Veterans Entrepreneurship Program at the Riata Center for Entrepreneurship, Spears School of Business, Oklahoma State University in Stillwater, OK
- Dog Tag Inc., affiliated with Georgetown University in Washington, DC

## FINANCING

Employee called to active duty?

You can receive funds that enable your business to meet ordinary and necessary operating expenses when an essential employee is called up to active duty in the military reserve. Ask your local SBA specialist or lender about the Military Reservist Economic Injury Disaster Loan.

## GOVERNMENT CONTRACTING

Veteran-owned and service-disabled veteran-owned small businesses that want to better compete in the federal marketplace can receive training from the Veteran Institute for Procurement, [nationalvip.org](http://nationalvip.org).

## GET CERTIFIED

Learn about the service-disabled veteran-owned small business certification program on [page 50](#).

## NEED ASSISTANCE?

For veterans' business information visit [sba.gov/veterans](http://sba.gov/veterans).

## *How the SBA Helped Me Succeed*

**Rich Messina** is proof that veterans are well-equipped to become small business owners thanks to their military service and training. Following a 22-year career as a pilot in the U.S. Air Force, Rich became interested in entrepreneurship. In 2014, he enrolled in the SBA's Boots to Business program and a two-day SCORE entrepreneur workshop before purchasing a Play It Again Sports franchise in Omaha, NE—a decision made possible by an SBA-backed 7(a) loan. Rich saw his annual sales take off in the years prior to the COVID-19 pandemic. Since then, SBA Resource Partners have helped him navigate the challenges of operating through a global health crisis by providing mentoring services and directing him toward disaster relief loan programs.



COURTESY OF RICH MESSINA.



## Federal and State ID Numbers

### WHAT IS AN EIN?

Your Employer Identification Number (EIN) is your federal tax ID. You need it to do the following:

- Pay federal taxes
- Hire employees
- Open a bank account
- Apply for business licenses and permits

Applying for an EIN is free through [irs.gov/formss4](https://www.irs.gov/formss4), and you should do it right after registering your business. You can also check with the IRS to determine whether you need to change or replace your EIN.

### NOT SURE WHETHER YOU NEED AN EIN?

Check out this guide from the IRS. A “yes” to any of these questions means you need one for your business.

#### Do you have employees?

☐ YES ☐ NO

#### Do you operate your business as a corporation or a partnership?

☐ YES ☐ NO

#### Do you file any of these tax returns: employment, excise, or alcohol, tobacco, and firearms?

☐ YES ☐ NO

#### Do you withhold taxes on income, other than wages, paid to a noncitizen?

☐ YES ☐ NO

#### Do you have a Keogh plan?

☐ YES ☐ NO

### WHAT ABOUT STATE TAX ID NUMBERS?

It depends on whether your business must pay state taxes. Tax obligations differ at state and local levels. Here’s what you need to do:

- Check with your state’s website
- Research and understand your state’s income and employment tax laws
- Look up how to get a state tax ID number. It’s similar to the federal tax ID process

## FUNDING PROGRAMS

# Financing Your Small Business



## HOW I DID IT

### Climbing Toward Economic Recovery

*Santa Ana, CA, business owner Alice Kao called on the SBA to help her scale a mountainous setback.*

Sometimes, even in small business, you take a fall. But that makes the journey back to the top all the more worthwhile. Nobody knows that better than Alice Kao, Co-Founder and CEO of Sender One Climbing LLC in Santa Ana, CA. Alice discovered her love of climbing while living in London, England, and it helped her through a difficult time in her life. In 2011, she returned to the U.S. with the hope of sharing the sport with others. That's when she decided to launch Sender One, an indoor climbing facility, with the support of the SBA.

## CHALLENGE

Alice's course to small business ownership was not without obstacles. Aside from hearing that climbing





*Alice Kao, Co-Founder and CEO of Sender One Climbing LLC in Santa Ana, CA*

would never grow as a sport because it was too niche, Alice reached out to over 50 banks before she obtained the capital and funding she needed to get her business venture off the ground. In 2013, an SBA-backed 7(a) loan made it possible for Alice to open her first facility in Orange County, and by 2019, Sender One was peaking. The company boasted two locations with 157 employees and \$8.1 million in sales. Then the COVID-19 pandemic struck. Over the course of several months, Sender One was

forced to shutter both its locations and stall any plans for expansion. Alice's revenue suffered and she had to furlough a considerable portion of her staff.

## **SOLUTION**

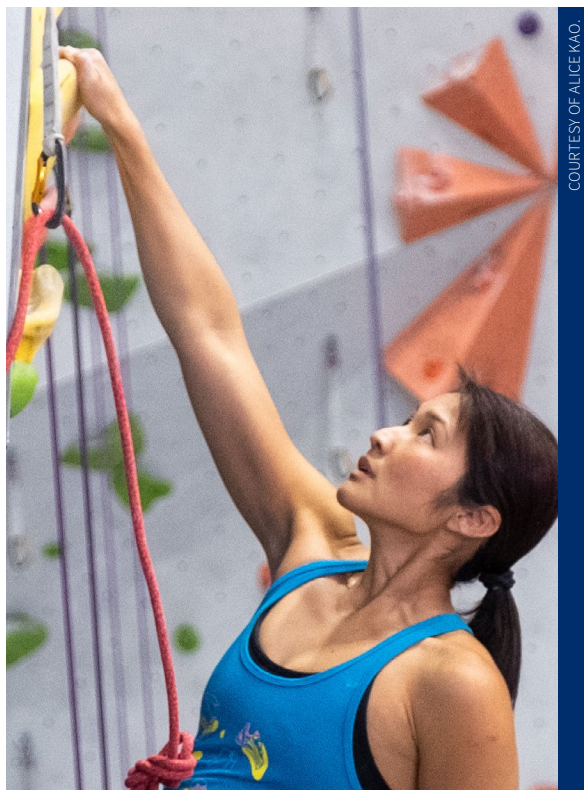
Bringing people together through the shared experience of climbing was the bedrock of Sender One's business model, so Alice knew she couldn't afford to lose her team members or clientele. Her banker referred her to the



SBA's disaster relief assistance programs, and Alice applied for both the Paycheck Protection Program and a COVID-19 Economic Injury Disaster Loan with the goal of retaining and bringing back many of her employees. She also relied on two rounds of payment forgiveness granted by her 7(a) loan. Sender One was able to convert its facilities into spaces for distance learning support programs as it weathered the pandemic.

## BENEFIT

Alice invested her funds into staffing, renovations, and repairs. Today, she has no plans of letting a few hurdles slow her down. Sender One continues to be a pillar of its community, hosting fundraisers and community events in addition to climbing, yoga, and other fitness activities. There are even plans of expansion in the not-so-distant future. With the SBA in its corner, the summit is the limit for Sender One.



## 5 Tips for Success

- ✓ **Get guidance.** Develop a working relationship with an SBA Resource Partner ([see page 12](#)). Your business adviser will help you become lender ready.
- ✓ **Define your lending needs.** Determine if a loan is right for you and if this is the right time. How much do you need? What are you going to use it for? Include this in your business plan.
- ✓ **Keep clear records.** Track your cash, inventory, accounts payable and receivable, payroll, sales, purchases, loans payable, owners' equity, and retained earnings. Most lenders will want to see this data, balance sheets, and profit and loss statements for multiple years.
- ✓ **Talk to multiple lenders.** Talk to multiple lenders to see who best matches your business's needs. Lenders have different levels of risk they take on and the types of industries they accommodate may vary.
- ✓ **Check all options.** SBA Lenders determine if you're eligible for SBA financing programs based on your industry and experience, collateral, credit score, and the relationship and transparency you develop with the lending agent.



## HOW THE SBA HELPED ME SUCCEED

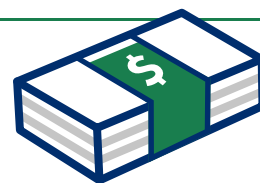
*The SBA is committed to lighting the path forward for passionate, innovative entrepreneurs like Jill Scarbro. In 2007, Jill started Bright Futures Learning Services in her grandmother's kitchen with a valuable mission: to serve children with autism. A member of the Emerging Leaders Program, Jill was able to procure a personalized 504 loan through an SBA-backed lender. This funding opportunity allowed her to open a new facility tailored toward the needs of Bright Futures Learning Services' children in Winfield, WV. Jill has also turned to COVID-19 SBA funding programs, such as the Paycheck Protection Program and COVID-19 Economic Injury Disaster Loan, throughout the course of the COVID-19 pandemic.*





# Need Financing?

Visit your local SBA office or lender to learn about funding options.



## 7(a) Loan: the SBA's Largest Financing Program

If you're unable to qualify for conventional financing and you meet the eligibility requirements, use a 7(a) loan to purchase existing real estate or new construction or to acquire additional furniture, fixtures, equipment, or inventory for your small business. 7(a) loans may also be used for working capital, to refinance eligible business debt, or acquire an existing small business.

**MAX LOAN AMOUNT:** \$5 million

**INTEREST RATE:** Set by the lender within SBA maximum allowable:

- **Loans less than 7 years:** For loans between \$0 and \$25,000, prime + 4.25%; for loans between \$25,001 and \$50,000, prime + 3.25%; for loans over \$50,000, prime + 2.25%.
- **Loans of 7 years or longer:** For loans between \$0 and \$25,000, prime + 4.75%; for loans between \$25,001 and \$50,000, prime + 3.75%; for loans over \$50,000, prime + 2.75%.

**TERMS:** Loan term varies according to the purpose of the loan—generally up to 25 years for real estate and 10 years for other fixed assets and working capital.

**GUARANTEE:** 50–90%

## CAPLines

Meet your revolving capital needs with lines of credit. CAPLines can be used for contract financing, seasonal lines of credit, builders'

line of credit, or for general working capital lines.

## SBA Express Loan

Featuring a simplified process, these loans are delivered by experienced lenders who are authorized to make the credit decision for the SBA. These can be term loans or revolving lines of credit.

**MAX LOAN AMOUNT:** \$500,000

**INTEREST RATE:** For loans of \$50,000 or less, prime + 6.5%; for loans of more than \$50,000, prime + 4.5%

**TERMS:** Loan term varies according to the purpose of the loan—generally up to 25 years for real estate and 10 years for other fixed assets and working capital.

**GUARANTEE:** 50%

## Community Advantage

A financing program for entrepreneurs just starting up or in business for a few years. Receive free business counseling as you work with a community-based financial institution.

**INTEREST RATE:** Prime + 6.5% for loans up to \$50,000; prime + 6% for all others.

**TERMS:** Up to 25 years for real estate and 10 years for equipment and working capital.

**MAXIMUM LOAN AMOUNT:** \$350,000

**GUARANTEE:** 75–85%

**SPECIAL CONDITION:** organizations approved to participate as CA Lenders are required to make at least 60% of their CA loans in underserved

markets. For the purposes of CA, underserved markets include:

- Low-to-Moderate Income (LMI) communities (CA Lenders are encouraged to serve low and very-low income communities);
- Businesses where more than 50% of the full-time workforce is low-income or resides in LMI census tracts;
- Empowerment Zones and Enterprise Communities;
- HUBZones;
- New businesses (firms in business for no more than two years);
- Veteran-owned businesses;
- Promise Zones;
- Opportunity Zones; and/or
- Rural areas.

## Microloans

Eligible businesses can start up and grow with working capital or funds for supplies, equipment, furniture, and fixtures. Borrow from \$500 to \$50,000 and access free business counseling from microlenders.

**INTEREST RATE:** For loans less than \$10,000, lender cost + 8.5%; for loans \$10,000 and greater, lender cost + 7.75%.

**TERMS:** Lender negotiated; no early payoff penalty.

## 504 Certified Development Company Loan

For those who cannot find traditional financing but would like to purchase/renovate real estate or buy other long term fixed assets such as

heavy equipment for a small business. It provides competitive fixed-rate mortgage financing through a senior lender and a certified development company SBA subordinate loan.

**MAX LOAN AMOUNT (UP TO 40% OF THE TOTAL PROJECT):** Up to \$5 million; \$5.5 million for manufacturing or energy public policy projects.

**INTEREST RATE:** Below market fixed rates for 10, 20, or 25-year terms.

**TERMS:** 20 or 25 years for real estate or long-term equipment; 10 years for general machinery and equipment.

**GUARANTEE:** The lender provides a senior loan for 50% of the project cost (with no SBA guarantee); the CDC finances up to 40% in a junior lien position (supported by the SBA guarantee).

**SPECIAL CONDITION:** a minimum borrower contribution, or down payment, is required. Amounts vary by project but are usually 10%.



COURTESY OF NICOLE CARRIER AND ANNETTE LEE.

## HOW THE SBA HELPED US SUCCEED

*Thanks to support from the SBA, two former homebrewers have tapped into something special in North Hampton, NH. With a shared passion for great beer and people, Nicole Carrier (right) and Annette Lee (left) founded Throwback Brewery in 2011. Four years later, they decided to turn their small operation into a full-scale brewery, kitchen, and farm. SBA 504 and 7(a) loans enabled them to acquire, renovate, and repurpose a sheep barn on 12 acres of land. Nicole and Annette now run a combination farm-to-table restaurant and brewery that sources and serves sustainable, local ingredients. The duo has also taken advantage of recovery loan programs during the pandemic, using the Paycheck Protection Program, COVID-19 Economic Injury Disaster Loan program, and Restaurant Revitalization Fund to help with expenses as they transition to a “new normal.”*



# Go Global with International Trade

*Stabilize seasonal sales and become less dependent on any one market by exporting.*

## EXPAND YOUR MARKET

Small businesses can enter and excel in the international marketplace using State Trade Expansion Program grants and training.

Visit [sba.gov/step](https://sba.gov/step) to find out if your state is participating. You can:

- Learn how to export
- Participate in foreign trade missions and trade shows
- Obtain services to support foreign market entry
- Translate websites to attract foreign buyers
- Design international marketing products or campaigns

## FINANCING FOR INTERNATIONAL GROWTH

Having trouble securing capital to meet your small business exporting needs? Use SBA international trade programs to cover short or long-term costs necessary to sell goods or services abroad. Loan proceeds can be used for working capital to finance foreign sales or for fixed assets—helping you better compete globally. Apply for lines of credit prior to finalizing an export sale or contract, and adequate financing will be in place by the time you win your contract.

If you've been in business for at least a year, ask your area SBA regional finance manager about the **Export Working Capital** program. The **International Trade Loan** program also helps exporters who have been adversely affected by foreign importing competition, helping you better compete globally.

**MAX LOAN AMOUNT:** \$5 million

**INTEREST RATE:** For Export Working Capital, the rate is negotiated between borrower and lender. For the International Trade Loan, it also can't exceed prime + 2.75% for loan amounts over \$50,000 and maturity of seven years or more.

**TERMS:** For Export Working Capital—typically one year; can't exceed three years. For International Trade Loans, up to 25 years for real estate; up to 10 years for equipment.

**GUARANTEE:** Up to 90%

Export Express uses a streamlined process that expedites the SBA guarantee—what small



*The SBA helped Retro Manufacturing, a producer of classic car components based in Henderson, NV, go international. With financing assistance from the SBA, President Steve Harrington was able to expand his facility and export his products across the globe.*



businesses need most when preparing to export or ramping up international trade on a fast timeline.

**MAX LOAN AMOUNT:** \$500,000 interest rate—typically not to exceed prime + 6.5%.

**TERMS:** Up to 25 years for real estate, 10 years for equipment, and seven years for lines of credit.

**GUARANTEE:** Up to 90%

**APPROVAL TIME:** 36 hours or less.

### HELP WITH TRADE BARRIERS

If you need assistance with international trade regulations, the SBA can be your advocate in foreign markets. Call toll free (855) 722-4877 or email your contact information and trade issue to [international@sba.gov](mailto:international@sba.gov).

### Expert Advice on Exporting



Find an SBA professional in one of the 21 U.S. Export Assistance Centers: [sba.gov/tools/local-assistance/eac](https://sba.gov/tools/local-assistance/eac). The centers, located in most major metro areas, are staffed by the U.S. Department of Commerce and, in some locations, the Export-Import Bank of the United States and other public and private organizations. Visit your local Small Business Development Center ([see page 12](#)) for exporting assistance from professional business counselors.



### Lender Match

Lender Match connects small business owners and entrepreneurs with SBA-backed funding through SBA Lenders. Visit [sba.gov/lendermatch](https://sba.gov/lendermatch) for more information and to find an interested lender.

### SBA and Participating Lenders

The SBA helps small business owners and entrepreneurs who are creditworthy but do not have access to credit elsewhere. If you can't obtain a business loan with reasonable rates and terms, contact your local SBA Lender to see if you're eligible for an SBA program. The SBA works with participating lenders to reduce their risk, increasing the likelihood your loan will be approved with the terms that work best for you. The guarantee is conditional on the lender following SBA program requirements. Just like with any other loan, you make your loan payments directly to your lender in accordance with your terms.



# R&D Opportunities for High Growth Startups

*Businesses engaged in high-risk research and development can compete to develop their tech to market.*

## Do you work in one of these areas?

- Advanced materials
- AgTech
- Artificial intelligence
- Augmented reality/virtual reality
- Big data
- Biomedical
- Cloud computing
- Cybersecurity
- Energy
- Health IT
- National security
- Sensors
- Space exploration

## AMERICA'S SEED FUND

The Small Business Innovation Research and the Small Business Technology Transfer

programs, known as America's Seed Fund, provide over \$4 billion each year in early-stage capital through a competitive awards process.

## HOW IT WORKS

Every year, participating federal agencies announce topic areas that address their R&D needs. Eligible businesses submit proposals to win either grants or contracts and then advance through three phases:

1. The **proof-of-concept stage** typically lasts from 6–12 months and provides between \$50,000–\$250,000.
2. The **full R&D period** lasts about 24 months and typically provides \$600,000–\$1.7 million.
3. The **commercialization stage** is when your small business seeks public or private funds for its venture or sells the innovation for a profit.

## HOW YOUR STARTUP BENEFITS

The funding agency does not take an equity position or ownership of your business. The federal government also protects data rights and the ability to win sole-source phase three contracts. Some agencies provide additional resources beyond funding.

Participating agencies:

- Department of Agriculture
- National Institute of Standards and Technology
- National Oceanic and Atmospheric Administration
- Department of Defense
- Department of Education
- Department of Energy
- Department of Health and Human Services
- Centers for Disease Control
- Food and Drug Administration
- National Institutes of Health
- Department of Homeland Security
- Department of Transportation
- Environmental Protection Agency
- NASA
- National Science Foundation

Visit [sbir.gov](https://sbir.gov) to find funding opportunities, helpful program tutorials, and information on past award winners. Use the local resources locator tool to identify state and regional programs and resources available to assist with grant writing, commercialization, and business counseling in your community.

## Investment Capital



For mature, profitable businesses with sufficient cash flow to pay interest, a small business investment company (SBIC) can help scale up your small business.

### How an SBIC Works

Investment companies with financing expertise in certain industry sectors receive SBA-guaranteed loans. That means the federal government is responsible in case of default. These investment companies then use the SBA-guaranteed capital and private funds to invest in qualifying small businesses. Each SBIC has its own investment profile in terms of targeted industry, geography, company maturity, and the types and size of financing they provide.

### To be eligible...

The majority of your employees and assets must be within the United States. Some ineligible small businesses and activities include re-lenders, real estate, project financing, and foreign investment. Visit [sba.gov](https://sba.gov) and click on Funding Programs and then Investment Capital. Follow us on Twitter for updates and announcements or visit our events page to learn about outreach programs in your community.



COURTESY OF GETTY IMAGES.

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# Disaster Recovery

*When disaster strikes, small business owners can turn to the SBA for economic assistance.*

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## WHAT TO DO AFTER A DISASTER DECLARATION

Once a disaster is declared by the President:

- Register with FEMA
- Go to [disasterassistance.gov](https://disasterassistance.gov)
- Call (800) 621-3362
- Visit a Disaster Recovery Center. Locations can be found at [fema.gov/drc](https://fema.gov/drc).

Businesses are automatically referred to the SBA. Most homeowners and renters will be referred by FEMA to the SBA to apply for disaster loan assistance. You must complete the SBA application to be considered for assistance. If the SBA can't help you with a loan for all your needs, we will, in most cases, refer you back to FEMA. If you don't complete an SBA application, you may not be considered for assistance from other agencies.

After the SBA declares a disaster, businesses of all sizes, nonprofits, homeowners, and renters are eligible to apply for an SBA disaster assistance loan. Visit [disasterloan.sba.gov](https://disasterloan.sba.gov) to apply. You can also call the SBA customer service center at (800) 659-2955. If you are deaf, hard of hearing, or have a speech disability, please dial 711 to access telecommunications relay services. FEMA grant assistance for homeowners or renters is not available under an SBA declaration.

### Here's what you need to get started:

- Address of damaged residence or business and contact information
- Insurance information, including type of insurance, policy numbers, and amount received
- Household and/or business income
- Description of disaster-caused damage and losses

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### Consider these projects with your increased loan:



#### Flood Mitigation

- Seal your roof deck
- Landscape your property to improve water runoff and drainage
- Elevate structures



#### Wildfire Mitigation

- Install noncombustible gutters, fences, and gates
- Remove roof and gutter debris that can be ignited by airborne embers
- Replace single-pane windows with dual- or multi-pane tempered glass windows



#### Wind Mitigation

- Upgrade to pressure-rated windows
- Install hurricane roof straps
- Install a safe room or storm shelter built to FEMA guidelines



#### Earthquake Mitigation

- Strengthen and retrofit masonry buildings and concrete facilities that are vulnerable to ground shaking
- Install window film to prevent shattered glass injuries
- Anchor rooftop-mounted equipment



## *How the SBA Helped Us Succeed: Disaster Assistance*

The COVID-19 pandemic has been a challenging time for small businesses across the U.S., especially those like Design to Print in St. George, UT. The first print shop to bring large-format, high-resolution color printing to the state, Design to Print's business roots are grounded in the people and event industries. That all changed as COVID-19 mitigation measures were put in place. Luckily, with the assistance of their local Small Business Development Center and disaster loans like the Paycheck Protection Program and COVID-19 Economic Injury Disaster Loan, co-owners **Stephanie and Josh Bevans** were able to pull their team together and branch out into interior design, decoration, and decorative metals. SBA funding programs bought Design to Print time as they pivoted toward new business strategies after a 12-month shutdown.



COURTESY OF STEPHANIE AND JOSH BEVANS.

## *Get Ready*

The Ready Business program gives step-by-step guidance on how to prepare your business for a disaster. The series includes preparedness toolkits for earthquakes, hurricanes, flooding, power outages, and severe winds/tornadoes. Spanish materials are also available. More details: [ready.gov/business](https://ready.gov/business).

## *Keep in Mind*

Since an SBA disaster loan is a direct loan from the government, other organizations may reduce or not award you a grant if you have received an SBA loan or other assistance for your disaster loss. Be sure to check with the organization offering assistance to see how an SBA loan might affect your eligibility for their program. In general, recovery expenses covered by insurance, FEMA, or other forms of assistance may reduce the amount provided by your SBA disaster assistance loan.

Once safety and security needs are met after a disaster, the SBA helps get you and your community back to where you were before the disaster. Since low-interest SBA disaster assistance loans are government aid, creditworthiness and the ability to repay are taken into consideration before a loan is awarded. Visit [sba.gov/disaster](https://sba.gov/disaster).





## Be Prepared for Tomorrow: Make a Disaster Plan Today

*A well-designed disaster plan makes all the difference for the safety of you and your employees. It's time to revisit yours—or make a new one.*

As a small business owner, you're no stranger to planning. You've done your best to account for every anticipated roadblock during your journey to entrepreneurial success. But what about the unforeseen? If the COVID-19 pandemic has taught us anything, it's that preparing for the unexpected is equally important. We're talking about disasters.

Disasters can come in a variety of forms: storms, cyberattacks, downturns—even global health crises. Each of these threats presents its own unique set of challenges, and there is often no one-size-fits all solution. The good news is there are programs and other resources in place to help you overcome these challenges.

The SBA is committed to helping the small business community prepare for and navigate the greatest obstacles facing entrepreneurs today, including disasters. Here are a few steps you can take to make or improve your disaster plan.

### **DEVISE A PLAN BASED ON YOUR RISK**

Disasters vary by industry and region. Likewise, the steps you take before, during, and after an event will depend on disaster type. Not sure how to prepare for or respond to a specific kind of disaster? Check out this emergency preparedness guide from the SBA: [sba.gov/prepare](https://sba.gov/prepare).

Regardless of what disaster strikes, knowing how to communicate with your employees and stakeholders will make all the difference. Be sure you have the latest contact information available for your staff to access virtually. When phone lines are down after a disaster, two-way radios or an alert notification system (ANS) come in handy.

## **BUILD YOUR EMERGENCY KIT**

An emergency kit should be kept on-site at your business at all times—just in case. Essentials include, but are not limited to:

- First-aid kits
- Non-perishable foods
- Medicines
- Bottled water
- Masks and sanitizers
- Flashlights and battery-powered radios

The quantity of your items is just as important as the quality: Make sure you have enough supplies in your emergency kit to last you a few days. In case of power outages, a backup generator might also prove valuable.

## **PREPARE BEFOREHAND, EXECUTE AFTER**

Checking with your insurance provider before a disaster looms is always a good rule of thumb. That way, you can understand your coverage plan and opt for any necessary policy upgrades. You should also physically secure your business location. Doing so can reduce damage and, most importantly, ensure the safety of your staff. For example, in preparation for a hurricane, you will want to turn off all non-critical devices, install windstorm shutters or plywood over windows and doors, remove all loose debris from outside, and shut off your natural gas supply. You can further protect your business by backing up data and making it

accessible off-site in the event your technology is damaged.

## **PREPARE AT HOME, TOO**

It's important to remember that your home and family should be equally as ready for disasters as your business. That's why you'll want to implement all the same measures to protect your family and personal property from disasters. Your household should understand what to do when faced with a disaster scenario. In addition, homeowners or renters' insurance, emergency plans, and kits are critical to ensure your household is safe before and following a disaster.

The resilience of the small business community has been the story throughout the COVID-19 pandemic, and it will continue to be the theme as we work toward recovery—together. The SBA stands ready to support you through any adversity that may come your way. Should a declared federal emergency occur, you can find disaster assistance at [sba.gov/disaster](https://www.sba.gov/disaster).

## ***Rebuilding Stronger Is Within Reach***

Take steps now to protect your home or business and reduce property damage with the help of the SBA. Those affected by a disaster can rebuild stronger by increasing their SBA disaster assistance loan up to 20% of the verified physical damage to make mitigation improvements. Generally, borrowers have two years after loan approval to request an increase for higher rebuilding costs, code-required upgrades, or mitigation.





## HOW THE SBA HELPED ME SUCCEED: DISASTER ASSISTANCE

*Like many small businesses in the U.S., Clay Coyote was thriving when the COVID-19 pandemic hit. A pottery studio and gallery located in Hutchinson, MN, Clay Coyote saw its sales fall at the beginning of the pandemic. But owner Morgan Baum didn't get discouraged. A microloan client since 2016, Morgan knew to take advantage of every SBA resource at her disposal. She was awarded both a Paycheck Protection Program loan and COVID-19 Economic Injury Disaster Loan Advance and used the funds from those programs to move Clay Coyote from its rural location to downtown Hutchinson. This decision not only doubled her studio space, but it also helped her reach a new customer base and build the foundation for business success moving forward.*

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# Surety Bonds

*SBA-backed surety bonds help small businesses win.*

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Eligible small businesses in the construction, supply, and service sectors better compete for contracting and subcontracting jobs using SBA-backed surety bonds.

## HOW YOU BENEFIT

Surety bonds help small businesses receive the bonding assistance they need to win contracts by providing the customer with a guarantee the work will be completed.

## HOW SURETY BONDS WORK

Many contracts require surety bonds, which are offered by surety companies. The SBA guarantee provides an incentive for surety companies to work with small businesses that would normally not be able to obtain the bond.

## IS THE PROGRAM RIGHT FOR YOU?

Small businesses that often come to the SBA for surety bonds:

- Startups and firms in business less than three years
- Businesses with credit

issues or internally prepared financial statements

- Those who can't secure bonding through regular commercial channels
- Subcontractors with a desire to establish their own bonding as a prime contractor
- Those wishing to increase their current bonding limits

## GUARANTEES AND REIMBURSEMENTS

For all contracts and subcontracts up to \$6.5 million, the SBA guarantees bid, payment, performance, and ancillary bonds issued by surety companies. For federal contracts up to \$10 million, the SBA makes a guarantee—if it's in the best interest of the government.

The SBA reimburses surety companies, in case of default, 90% of losses sustained for:

- Veteran and service-disabled veterans
- Minority small businesses
- 8(a)-certified small businesses
- HUBZone-certified small businesses
- All projects up to \$100,000

The SBA reimburses 80% for all other small businesses.

## NEED A SURETY BOND GUARANTEE FAST?

For contracts under \$400,000, the process is streamlined using the SBA QuickApp program:

- Easy application
- No need to submit financials to the SBA
- Online applications submitted to SBA-authorized agents approved within hours

## READY TO START?

The SBA partners with 40 surety companies and hundreds of bonding agents. Find authorized agents at [sba.gov/osg](https://sba.gov/osg). Do you want to discuss the advantages of the SBA Surety Bond Guarantee program? Contact a bonding specialist:

**Tamara E. Murray**  
Denver, CO  
(303) 927-3479

**Office of Surety Guarantees**  
(202) 205-6540



## CONTRACTING

# *Doing Business with the Government*



## HOW I DID IT

### **Making an Impact, One Contract at a Time**

*A Charlotte, NC, business owner's 8(a) certification is giving him the tools to solve problems for the U.S. Air Force and Navy.*

Pushpinder Garcha always knew he wanted to help others succeed—he just needed time to develop as a leader and entrepreneur first. With this goal of making an impact in mind, Pushpinder founded Golden Tech Systems Inc., a Charlotte, NC, based systems integrative firm, in 2007. He wouldn't find his true calling, however, until 2015—the first time he was introduced to the resources and programs of the SBA. The rest is history.





*Pushpinder Garcha, founder of Golden Tech Systems Inc., in Charlotte, NC.*

## THE CHALLENGE

In the early years, Golden Tech Systems worked through subcontracts. But as Pushpinder found his stride as a small business owner, Golden Tech Systems honed in on its purpose: providing cyber solutions for the greater good, including the warfighter's mission. Pushpinder realized he needed to strengthen and refine his business's outreach to ultimately accomplish his objective of providing high-quality cybersecurity, systems administration, and Cloud based services.

## THE SOLUTION

The SBA was there for Pushpinder through every step. His local district office encouraged him to apply for the SBA's 8(a) program certification, a credential that allows eligible businesses to compete for set-aside and sole-

# 5 Tips for Success

- ✓ **Find a mentor.** Do you have a great mentor in your company? Reach for the opportunity while it's in front of you.
- ✓ **Always move forward.** The SBA has educational resources to improve your business knowledge. To learn more about government contracting and SBA certification programs, call your local SBA district office or procurement center representative.
- ✓ **Compete smart.** See if your company can use the SBA Subcontracting Network database, [https://eweb1.sba.gov/subnet/client/dsp\\_Landing.cfm](https://eweb1.sba.gov/subnet/client/dsp_Landing.cfm). SubNet connects businesses with subcontractors and small businesses with contract opportunities.
- ✓ **Know your industry.** Stay up to date on the latest trends. See everything. Have your hands in everything. Expand where you can.
- ✓ **Build a team.** Create an environment that feels like a work family. Your employees are a big part of your company. Make sure they know that.



source contracts. It was through this initiative that he was awarded his first major federal contract with the U.S. Air Force.

“The SBA was very instrumental in getting this contract because the 8(a) program allows small businesses in economically and ethnically disadvantaged business groups to be able to market their capabilities to agencies, whether [Department of Defense] or civilian and find out if there’s a scope of work they can go after,” Pushpinder says.

Pushpinder didn’t stop there. In 2018, he graduated from the SBA’s Emerging Leaders class, an achievement he credits with building his networking and office management skills.

## **BENEFIT**

The future has never looked brighter for Golden Tech Systems. Today, Pushpinder holds a top-secret security clearance and proudly supports contracts with the U.S. Air Force and Navy. He has continued to maintain his relationship with the SBA and attributes his continued success in the face of the COVID-19 pandemic to Golden Tech Systems’ 8(a) certification. Pushpinder is also the beneficiary of the Paycheck Protection Program and COVID-19 Economic Injury Disaster Loans. He is confident that his strong connection with the SBA will lead to Golden Tech Systems solving complex problems for its clients for years to come.

## How to Do Business with the Government

1. Consult your local Small Business Development Center ([see page 12](#)) or Procurement Technical Assistance Center adviser. Find your closest center at [aptac-us.org](http://aptac-us.org).
2. Search the System for Award Management ([SAM.gov](http://SAM.gov)) to see if any federal agencies are looking for your product or service. Search the SBA SubNet database for subcontracting opportunities.
3. Attend an SBA district office contracting workshop. Visit [sba.gov/localassistance](http://sba.gov/localassistance) to find your local office.
4. Research SBA certifications like the 8(a), HUBZone, and woman-owned small business programs. Review eligibility at [sba.gov/hubzone](http://sba.gov/hubzone).
5. Identify your product or service number at [census.gov/naics](http://census.gov/naics).
6. Register on [SAM.gov](http://SAM.gov).



## Measure Your Business Size

The government reserves certain contracts for small businesses. Your business could compete for and profit from these set-aside contracts.

See if your business qualifies as small for federal government contracting.

Visit [sba.gov/size-standards](http://sba.gov/size-standards).

Enter NAICS code(s) + annual average revenue or number of employees to see if your business qualifies as small.

# SBA Certification Programs

*Your business could earn profit and gain valuable work experience by providing goods or services to the government.*



Contracting certification programs are designed to help you better compete for and win federal contracts set aside for small businesses. Visit [sba.gov/contracting](https://sba.gov/contracting) to learn more about set-aside contracts and whether one or more of these government certification programs is right for your business. To see if you're eligible and to then certify as 8(a), woman-owned, All Small Mentor Protege or HUBZone, visit [certify.sba.gov](https://certify.sba.gov).

## 8(A) BUSINESS DEVELOPMENT PROGRAM

Entrepreneurs who are socially and economically disadvantaged may be eligible to receive business training and government contracting assistance through the 8(a) Business Development Program: [sba.gov/8a](https://sba.gov/8a). Businesses that participate in the program receive training and technical assistance designed to strengthen their ability to compete effectively in the American economy.

Small businesses owned by Alaska Native corporations, Community Development Corporations, Indian tribes, and Native Hawaiian organizations are also eligible to participate in the program. Small business development is accomplished by providing various forms of management, technical, financial, and procurement assistance.

To qualify for the 8(a) program, businesses must meet the following eligibility criteria:

- Be a small business
- Not have previously participated in the 8(a) program

- Be at least 51% owned and controlled by U.S. citizens who are socially and economically disadvantaged
- Have a personal net worth of \$750,000 or less, adjusted gross income of \$350,000 or less, and assets totaling \$6 million or less
- Demonstrate good character
- Demonstrate the potential for success, such as having been in business for two years

**Socially disadvantaged:** Those subjected to racial or ethnic prejudice or cultural bias without regard to their individual qualities because of their identity as members of certain groups. The following groups often fit this status: Black Americans; Hispanic Americans; Native Americans (Alaska Natives, Native Hawaiians, or enrolled members of a Federally or State recognized Indian Tribe); Asian Pacific Americans. A person who is not a member of one of these groups must establish that it is more likely than not that he or she has suffered social disadvantage.

**Economically disadvantaged:** Those whose ability to compete in the marketplace has been impaired because they have not had as much capital and credit opportunities compared to others in the same or similar line of business.

### The benefits of the 8(a) program:

- Efficiently compete and receive set-aside and sole-source contracts.
- Receive one-on-one business development assistance during the nine-year term from dedicated Business Opportunity Specialists



focused on helping firms grow and accomplish their business objectives.

- Pursue opportunity for mentorship from experienced and technically capable firms through the SBA Mentor-Protégé program.
- Connect with procurement and compliance experts who understand regulations in the context of business growth, finance, and government contracting.
- Pursue joint ventures with established businesses to increase capacity.
- Qualify to receive federal surplus property on a priority basis.
- Receive free training from the SBA's 7(j) Management and Technical Assistance program.

**What is an 8(a) sole-source contract?** A direct awarding of a contract to an 8(a) small business that can provide the needed services. This is an accelerated process that saves time for both you and the government agency or office.

## SBA MENTOR-PROTÉGÉ PROGRAM

Looking for an opportunity to partner with a more experienced firm for mentorship?

That effort can be rewarded in the SBA Mentor-Protégé program, [sba.gov/mpp](https://sba.gov/mpp).

While you're gaining invaluable direction and experience, you and your mentor can compete for government contracts, further growing your business.

### To qualify for this program:

- Protégés must have a mentor prior to applying for the program. Visit your local SBA office for guidance. Ask about the SBA's Resource Partners and the Procurement Technical Assistance Program for help in connecting you with a mentor business.
- You must be certified as a small business within your NAICS industry classification ([census.gov/naics](https://census.gov/naics)).
- Mentors and protégés must be organized for profit or as an agricultural cooperative.



*Roger Newton, president of Newton Building and Development, learned how to better compete in the public sector thanks to the SBA 8(a) Business Development Program. Since graduating from the program, Newton Building's annual revenue has grown to about \$6.5 million, employing 15 in Bremerton, WA.*

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- Mentors can't own more than 40% equity in the protégé's business.
- An SBA determination of affiliation must not exist between the mentor and the protégé.
- Approved SBA MPAs receive an exclusion of affiliation for contracting purposes.

## HUBZONE

The HUBZone program fuels the growth of small businesses in historically underutilized business zones (HUBZones) by providing certification for preferential access to federal contracts. Businesses located in HUBZones can gain special access to federal contracts by being certified by the SBA to participate in the HUBZone program, [sba.gov/hubzone](https://sba.gov/hubzone). To qualify for the certification, your small business must:

- Be owned and controlled by U.S. citizens, a Community Development Corporation, an agricultural cooperative, an Indian tribal government, an Alaska Native Corporation, or a Native Hawaiian Organization.
- Have a principal office located in a HUBZone. Enter your address in our

interactive map to see if your firm may qualify: [maps.certify.sba.gov/hubzone/map](https://maps.certify.sba.gov/hubzone/map).

- Have at least 35% of your employees living in a HUBZone.

## SERVICE-DISABLED VETERANS

If you're a service-disabled veteran looking to enter the federal marketplace, you may be eligible for this small business certification. To determine your eligibility, connect with your local Veterans Business Outreach Center, contact a veterans business development officer at your local SBA office, or visit [sba.gov/sdvosb](https://sba.gov/sdvosb).

After you are set up to do business with the government in [SAM.gov](https://SAM.gov), update your status as a service-disabled veteran business. Keep in mind, the SBA does not officially certify this designation, so when a contract awarded based on this eligibility is protested, the SBA will determine if your business meets the eligibility status, ownership, and control requirements. To certify your business, contact the Department of Veterans Affairs' Center for Verification and Evaluation at [vetbiz.va.gov](https://vetbiz.va.gov).



## Get Expert Contracting and Certification Help

Federal contracting can be complex, but you don't have to do it alone. A Procurement Technical Assistance Center adviser can help you determine if your business is ready for government contracting. An adviser can also help you register in the System for Award Management ([SAM.gov](https://SAM.gov)) and see if you're eligible for any small business certifications and/or programs. Visit [sba.gov/localassistance](https://sba.gov/localassistance) to find one-on-one counseling that is free or low cost (see page 8).

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## Woman-Owned Small Business Certification

Get certified so you can more easily compete for government contracts.

### 1. Make sure you're eligible

- The business must be owned and controlled by one or more women who are U.S. citizens.
- A woman must hold the highest officer position.
- Women must manage the daily business operations on a full-time basis and conduct long-term decision making and planning.
- To qualify as an economically disadvantaged woman-owned small business, the business owner and/or manager must also meet certain income and asset requirements. Find out more at [sba.gov/wosb](https://sba.gov/wosb).

### 2. Register

Register with the System for Award Management ([SAM.gov](https://sam.gov)) to start doing business with the government.

### 3. Certify

Submit your documents to [certify.sba.gov](https://certify.sba.gov). The SBA offers free certification as of 2020. You can also obtain certification from one of the SBA's approved third-party certifiers (which costs a fee):

- El Paso Hispanic Chamber of Commerce
- National Women Business Owners Corp.
- U.S. Women's Chamber of Commerce
- Women's Business Enterprise National Council

### 4. Update your status

Update your status as a woman-owned small business in [SAM.gov](https://sam.gov).

### 5. Search the database

Search [SAM.gov](https://sam.gov) for your new business opportunity. You must receive your certification prior to submitting an offer on a contract set aside for a woman-owned small business.



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## By the Numbers

The U.S. government is the largest single purchaser of goods and services in the world, awarding over \$500 billion in prime contracts annually. 23% is set aside for small businesses.

Set-asides for government contracting programs	Goal
Small and disadvantaged businesses	5%
Women-owned businesses	5%
HUBZone-certified businesses	3%
Service-disabled veteran-owned businesses	3%

# Small Business *Resource Guide*

NATIONAL EDITION ■ SPRING 2022

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