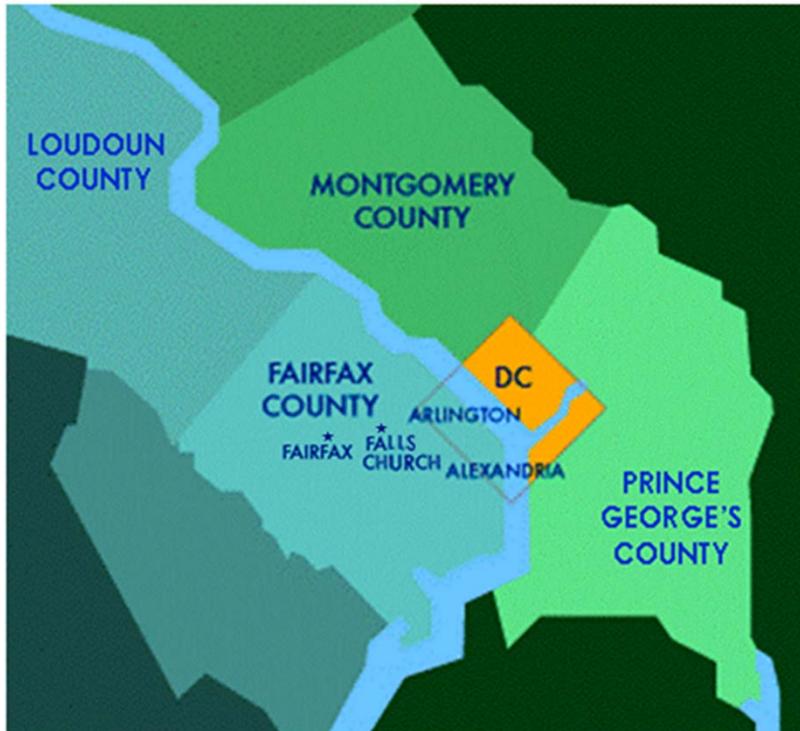


An Overview of SBA Programs for Entrepreneurs



**U. S. Small Business Administration
Washington Metropolitan Area District Office**

SBA Washington Metropolitan Area District



- District of Columbia
- Montgomery County, MD
- Prince George's County, MD
- Fairfax County, VA
- Loudoun County, VA
- Arlington County, VA
- Cities of Alexandria, Fairfax & Falls Church, VA



**U. S. Small Business Administration
Washington Metropolitan Area District Office**

There are
3 ways the SBA can help you
build, start, and grow
your business



U. S. Small Business Administration
Washington Metropolitan Area District Office

3 ways the SBA can help you

the "Three C's"

1. **Counseling**
2. **Contracting**
3. **Capital**



U. S. Small Business Administration
Washington Metropolitan Area District Office

Counseling and Training

For businesses at any stage from start-up to mature

- ❖ **SCORE (Service Corps Of Retired Executives)**
- ❖ **Small Business Development Centers (SBDC)**
- ❖ **Women's Business Centers (WBC)**
- ❖ **Veterans Business Outreach Centers (VBOC)**
- ❖ **SBA's Online Tools and Training**



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Counseling and Training

- ❖ Help to start up, market and manage your business
- ❖ For business at any stage from start-up to mature; from on the decline to selling.

Low-cost classes in basic and advanced business skills
FREE one-on-one counseling

**5 Hours with an SBA Counseling Partner =
Higher Revenues, Longer Time in Business,
More Jobs Created**



From Concepts to Concrete Ideas;
From Interest to Commitment;
From Planning to Action.



U. S. Small Business Administration
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SCORE

- ◆ National network; over 13,000 volunteer mentors
- ◆ More than 350 offices and 800 locations
- ◆ Understand local business licensing rule, economic conditions and key networks
- ◆ Face-to-face, online, workshop
- ◆ Business Plan and Financial Projection Templates
- ◆ SCORE DC Chapter
409 3rd St. SW, Suite 100A
Washington, DC 20024
202-619-1000; chapter1@scoredc.org; dc.score@verizon.net
- ◆ www.score.org
- ◆ www.sba.gov/score



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SBDC

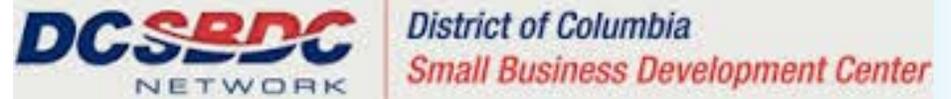
- ◆ Over 900 locations across the country
- ◆ More than 30 years of service to small business
- ◆ One of the largest professional small business management and technical assistance network in the nation
- ◆ Combines federal, state and private sector resources.
- ◆ Also focus on green business technology, international trade, veteran's assistance, regulatory compliance, disaster preparedness, technology transfer.
- ◆ www.sba.gov/sbdc
- ◆ www.asbdc-us.org



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SBDC

- ◆ District of Columbia (DC SBDC)
Howard University School of Business
2600 6th Street, NW, Room 128
Washington, DC 20059
202-806-1550; www.dcsbdc.org



- ◆ Capital Region – Maryland (SBTDC)
7100 Baltimore Ave., Suite 300,
College Park, MD 20740
301-403-0501; www.capitalsbdc.umd.edu



- ◆ Northern Virginia – SBDC
Mason Enterprise Center
4031 University Drive, Suite 200
Fairfax, VA 22030
703-277-7727; www.virginiasbdc.org



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Women's Business Center

- ◆ Network of over 100 community-based centers
- ◆ Geared toward socially and economically disadvantaged women but open to all.
- ◆ Convenient time and locations.
- ◆ Training and counseling in another language
- ◆ Long term training and group training
- ◆ Assistance in preparing Women-Owned Small Business (WOSB) Federal Contract program
- ◆ www.sba.gov/women
- ◆ www.awbc.biz



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Women's Business Center

- ◆ DC WBC
727 15th St. NW, 10th Fl
Washington, DC 20005
202-393-8307
www.dcwbc.org
- ◆ Northern Virginia WBC
7001 Loisdale Rd., Suite C
Springfield, VA 22150
703-768-1440
www.cbponline.org
- ◆ Maryland WBC
95 Monroe St.
Rockville, MD 20850
301-315-8097
www.rockvillewbc.org



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Veterans Business Outreach Center

- ◆ 16 Veterans Business Outreach Centers (VBOC) and growing
- ◆ Business Plan preparations, Comprehensive Feasibility Analysis, Entrepreneurship Training and Counseling, Mentorship.
- ◆ Assistance in Franchising, Internet Marketing, Accounting and International Trade.
- ◆ www.sba.gov/vets
- ◆ www.vboc.org



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Procurement Technical Assistance Centers

- ◆ Assistance to business firms in marketing products and services to the federal, state and local government

- ◆ Maryland PTAC

7100 Baltimore Ave., Ste 402

College Park, MD 20740

301-403-2740; www.mdptap.umd.edu

- ◆ George Mason University

Mason Enterprise Center PTAP

4031 University Dr. Ste 200

Fairfax, VA 22030

703-277-7700; www.vaptap.org

- ◆ DC PTAP

441 4th St. NW Ste 970N

Washington, DC 20001

202-727-3900; dslbd.dc.gov



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Online Resources - SBA website

- ◆ Recently redesigned site at www.sba.gov
- ◆ “SBA Direct” – customized information based on business type, geography and other needs
- ◆ www.sba.gov/direct
- ◆ SBA’s Online Learning Center – Free online courses, workshops, podcasts, learning tools and business-readiness assessments.
- ◆ Tutorials on writing Business Plan, Exporting, financing strategy, SBA lending, veterans programs, women business owners programs, contracting, franchise.
- ◆ Video contents, e-books, templates and articles.
- ◆ www.sba.gov/training



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Operation Boots to Business

- ◆ Government sponsored entrepreneurship training in conjunction with DoD, SBA, SBA resource partner and Syracuse University.
- ◆ Three part entrepreneur track
 - ❖ 10 Minute video
 - ❖ 2 Day workshop
 - ❖ 8 Week online Webinar



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Operation Boots to Business

- ◆ 8 military installations in the Metro Washington Area.
- ◆ Nearly 40 workshops scheduled in 2014
- ◆ Over 600 transition active duty service members, veterans, reservists, national guards and dependents attended in 2013
- ◆ www.sba.gov/bootstobusiness
- ◆ www.boots2business.org



**U. S. Small Business Administration
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Accessing Capital

Please Note:

The SBA **does not** make direct loans to business owners (except to assist with recovering from a natural disaster).

What the SBA does is to guarantee some loans made by qualified lenders to qualified business owners



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SBA Financing Options Can Help You

- ❖ Start your business
- ❖ Grow your business
- ❖ Export your goods and services
- ❖ Recover from a disaster



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SBA Loan Process

1. Borrower applies to qualified lender
2. Lender approves "subject to" SBA Guaranty
3. Lender submits request to SBA
4. SBA approves request
5. Lender settles and services loan



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What to Take to Your Lender

- ◆ Business Plan
- ◆ Resumes of Key Management
- ◆ Business Financials (Balance Sheet, Income Statement, Cash Flows, Equity Statement)
- ◆ Use of Proceeds
- ◆ Cash Flow Projections
- ◆ Legal Documents
- ◆ Personal Financials & Tax Returns
- ◆ Proof of Equity Investment (Start-ups)



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Borrower Requirements

- ◆ Feasible Business Plan
- ◆ Good Character
- ◆ Management expertise
- ◆ Commitment to succeed
- ◆ Adequate working capital
- ◆ Ability to repay
- ◆ Citizen or Legal Resident



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Not Eligible for SBA Loans

- ◆ Investment, lending, speculation, R&D
- ◆ Pyramid sales/multi-level marketing
- ◆ Gambling or adult entertainment
- ◆ Non-profit or religious organizations
- ◆ Discriminatory or restrictive patronage
- ◆ Apartments, co-ops, or condo buildings (rental)
- ◆ Some franchises: see www.franchiseregistry.com
- ◆ Cars, trucks, etc., for personal use



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SBA Loan requirements

- ◆ Small Business
 - ◆ For Profit
 - ◆ Legal business
 - ◆ Ability to re-pay loan as shown through
 - ◆ Cash flow or projections
 - ◆ SBA-approved industry
 - ◆ Personal contribution of Equity
 - ◆ US Citizen or Legal Resident
- No:** Outstanding judgments/liens; Open bankruptcy
Previous loss to government; Delinquent child
support/student loans



U. S. Small Business Administration
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SBA Loan Programs

- ◆ **7(a) Loan Program:** Basic 7(a)
International Trade Loan
Export Working Capital Loan
Export Express
SBAExpress
Working Capital CAPLines
Seasonal CAPLines
Contract CAPLines
Builders CAPLines

- ◆ **504 Fixed Asset**

The logo for the SBA (U.S. Small Business Administration) features the letters "SBA" in a bold, black, sans-serif font. The letter "A" is stylized with a blue triangle pointing upwards from its base.

7(a) & 504



**U. S. Small Business Administration
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7(a) Basic Loan

- ◆ Maximum Loan Amount: \$5 million
- ◆ Maximum Guaranty:
 - \$150,000 or less: 85%
 - \$150,001 or greater: 75%
- ◆ Maximum SBA Guaranty Amount: \$3.75 Million*
- ◆ Repayment Terms:
 - Working capital: 5-7 years
 - Franchise: up to 10 years
 - Real Estate: up to 25 years
- ◆ No revolving lines of credit or balloon notes

* EWCP Program allows up to 90% SBA Guaranty to \$4.5 million



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7(a) Basic Loan

Maximum Interest Rates	Variable: <7years / >7years	Fixed: <7years / >7 years
\$25,000 or less:	Base + 4.25%/4.75%	8.70%/9.20%
\$25,001 - \$50,000:	Base + 3.25%/3.75%	7.70%/8.20%
\$50,000 or greater:	Base + 2.25%/2.75%	6.70%/7.20%

Base Rate: WSJ Prime Rate (Currently 3.25%)
 LIBOR + 3.0% (Currently 3.21%), or
 SBA Peg Rate (Currently 2.125%)



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SBA Express

- ◆ Up to \$350,000
- ◆ Instant SBA Approval
- ◆ Term & Revolving up to 7 years
- ◆ Lenders application process
 - \$150,000 or less: 85%
 - \$150,001 or greater: 75%
- ◆ Interest rates

< \$50,000	Prime + 3.75%
> \$50,000	Prime + 2.75%



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Guaranty Fee

- ◆ SBA charges the lender a guaranty fee
- ◆ Fee may be passed on to the borrower
- ◆ Term & Revolving up to 7 years
- ◆ Guaranty Fee amount:
 - <\$150,000 or less: 2% of SBA portion
 - >\$150,001 to \$700,000: 3%
 - >\$700,000 to max loan amount: 3.5%
- ◆ If SBA Portion >\$1,000,000: fee is 3.5% of up to \$1mil portion plus 3.75% for any guaranty portion over \$1mil.



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SBA Express – Veterans Advantage

- ◆ Started in Jan 1, 2014 and for the rest of the FY14.
- ◆ Zero guaranty fee for veterans
- ◆ Available to all small business owned and controlled by vets
- ◆ 73% of all SBA loan to veterans are \$350,000 or below.
- ◆ SBA Express Loan is SBA's most popular loan. 60% of all 7(a) loans.
- ◆ One of the most popular loans for the veterans owned business.
- ◆ In FY2013, SBA supported \$1.86 billion in loans for 3,094 veteran owned small businesses.



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CAPLines for Contracting

- ◆ Line of credit for short-term, working capital needs
- ◆ Advanced against inventory, accounts receivable, real estate, or purchase orders
- ◆ Maximum maturity of 5 years,
- ◆ Maximum amount \$5 million
- ◆ For existing businesses with contract/subcontract

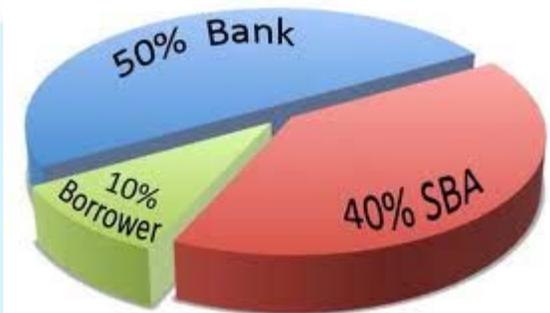


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504 Fixed-Asset Loan

- ◆ Build, buy, or improve owner-occupied business real estate or buy equipment
- ◆ Best for projects \$300,000 to \$10 million

Bank	50%	negotiate rate w/bank
CDC/SBA	40%	low fixed interest rate
Business	10%	down payment/equity*



No limit to project size, \$5 million limit for SBA portion in most cases

* Higher down payment for certain buildings and new businesses



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Other SBA Financing Programs

- ◆ Micro Loan
- ◆ Disaster Loan Program
- ◆ Surety Bonds
- ◆ Small Business Investment Companies



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Microloans: not a bank loan

- ◆ Direct loans through non-profit, community-based lending institutions
- ◆ Amounts from \$500 to \$50,000
- ◆ Excellent for new or start-up businesses who need to establish credit

Proceeds used for:

- ◆ *Inventory - Fixtures - Leasehold Improvements*
- ◆ *Working capital - Machinery & Equipment*
- ◆ Up to 6 years to repay
- ◆ Technical assistance (training) available



U. S. Small Business Administration
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Contracting Support

**U.S.
Government:
The World's
Largest
Customer**

**Federal
Contracts =
\$500 Billion +
per year
(FY2010)**



**U. S. Small Business Administration
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Contracting Support

PROCUREMENT TARGETS:

Small Businesses: 23%

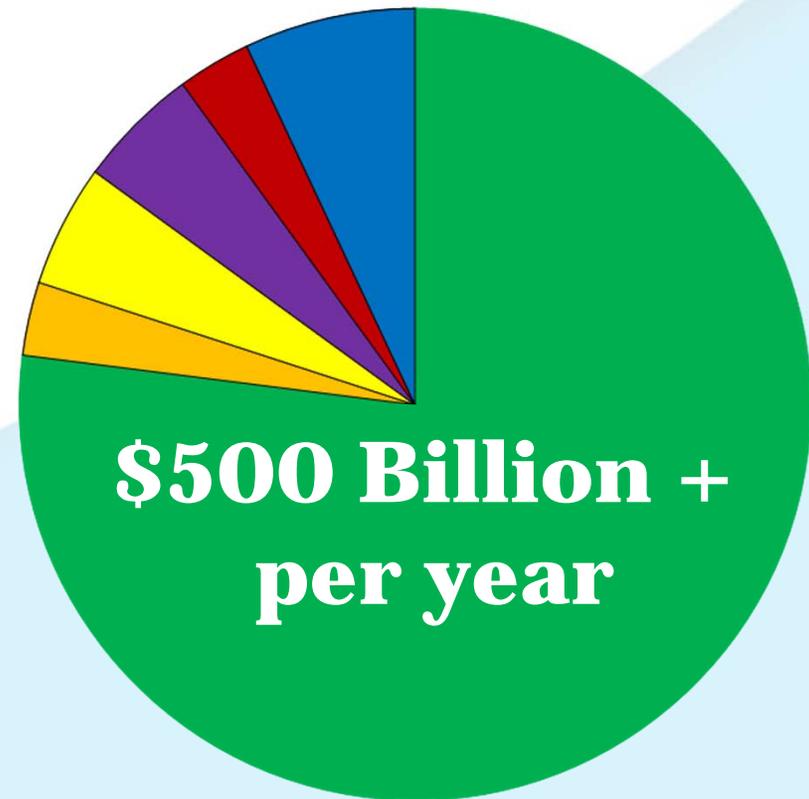
Service-Disabled Vets: 3%

SDB: 5%

Women-owned: 5%

HUBZone: 3%

Other small business: 7%



**U. S. Small Business Administration
Washington Metropolitan Area District Office**

Contracting Support

Federal Small Business Certifications

SBA-Certified:

- ◆ HUBZone Empowerment Contracting Program
- ◆ 8(a) Business Development Program

Self-Certified:

- ◆ Service Disabled Veteran-Owned Businesses
- ◆ Small Disadvantaged Businesses
- ◆ Women-Owned Small Businesses



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HUBZone Empowerment Contracting Program

HUBZone = Historically Underutilized Business Zone

- ◆ Defined by Census Tract, and are redefined after every 10-year National Census
- ◆ Designed to simulate economic development and create jobs in urban and rural communities.
- ◆ Qualified business based on location
- ◆ 35% of employees must reside in the HUBZone
- ◆ 35% Principal office must be located in the HUBzone
- ◆ Lands considers “Indian Country” or Base Realignment and Closure Act
- ◆ www.sba.gov/hubzone



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8(a) Business Development Program

- ◆ 9-year business development program that helps eligible presumed socially and economically disadvantaged business owners grow and sustain their companies
- ◆ www.sba.gov/8a

The 8(a) program provides:

- ◆ Training in business management & marketing
- ◆ Access to set-aside contracting opportunities
- ◆ Support mentor/protégé agreement 8a firms and prime contractors



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Small Disadvantaged Business (SDB) Program

- ◆ Self-certifying program as of October 2008
- ◆ SDBs are eligible for special bidding benefits
- ◆ Prime contractors get credit towards small business goals for using SDBs as subs
- ◆ SBA approved 8a firms are automatically SDB certified.
- ◆ Subcontracting opportunities
- ◆ www.sba.gov/sdb



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Service-Disabled Veteran-Owned Business (SDVOB) Program

- ◆ Self-certifying program
- ◆ SDVOBs are eligible to bid on set-aside contracts
- ◆ Subcontracting opportunities
- ◆ Prime contractors get credit towards small business goals for using SDVOBs as subs
- ◆ www.sba.gov/sdvosb



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SDVOB Program: Who is Eligible?

Size: Must be small according to SBA size standards

- ❖ NAICS Code (North American Industry Classification System Code)

Ownership:

Must be at least 51% directly and unconditionally owned and controlled by one or more service-disabled veterans

Required Documentation:

- ❖ DD-214
- ❖ Rating Letter from VA
- ❖ Business Legal Document; Operating Agreement



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Women-Owned Small Business (WOSB) Program

- ◆ Self-certifying program
- ◆ Eligible for set-aside contracts.
- ◆ Prime contractors get credit towards small business goals for using SDVOBs as subs
- ◆ Economically-Disadvantaged Women-Owned Small Businesses (EDWOSB) eligible for further set-asides
- ◆ www.sba.gov/wosb



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WOSB Program: Who is Eligible?

Size: Must be small according to SBA size standards

❖ NAICS Code

Ownership:

Must be at least 51% directly and unconditionally owned by one or more women; a women must hold highest position, make long-term decisions, manage day to day operation.

❖ 83 Industries eligible for WOSB Federal Contract Set asides

❖ WBC provide assistance in getting certified.

❖ www.sba.gov/wosb



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Other SBA Resources

- ◆ SBA mobile app for smartphone
- ◆ Free SBA business intelligence; benchmark your business against area competition tool

www.sba.gov/sizeup



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Are you the next SBA success Story

AOL

Apple

Ben & Jerry's

Black Enterprise Magazine

Callaway Golf

Chobani Yogurt

Columbia Sportswear

Fedex

Hewlett-Packard

Intel

Jenny Craig

Nike

Outback Steakhouse

Quiznos

Radio One

Staples

Totino's Pizza

Under Armour

Winnebago

Yankee Candle



U. S. Small Business Administration

Washington Metropolitan Area District Office

Local SBA Contact

Shuraie L. Mackin

Economic Development Specialist

Tel: 202-205-6392

Shuraie.mackin@sba.gov

US Small Business Administration

Washington Metropolitan Area District Office

409 3rd Street, SW, 2nd Floor

Washington, DC 20416

Tel: 202-205-8800

www.sba.gov/dc



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