

Congressman John Barrow's 2010 Small Business Guidebook



Congressman

John Barrow

Representing the 12th Congressional District of Georgia

SMALL BUSINESS GUIDEBOOK

Dear Friend,

There are nearly 30 million small businesses in America, and they employ over half of the workforce in this country. Every day, they open their doors and go to work serving American families and driving American commerce. Small businesses are unquestionably the backbone of our economy, and we need to recognize that our future growth and prosperity depend on the success of our small businesses.

Small business owners face challenges in today's economic climate that are too great to ignore. The policies we consider should fix what ails our small businesses. We need a plan that gets businesses investing and creating jobs again, and that gets consumers back to spending.

This Congress I've supported a number of initiatives to enhance access to capital and spur small business growth, but there is still a lot more that must be done. I put together this Small Business Guide Book to serve as a guide to many of the resources that the federal government has to offer small business owners and those who want to start a business. If you have any questions or need additional information, please do not hesitate to contact me or my Small Business aide, Brandon Webb, at (202) 225-2823.

Sincerely,

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John Barrow

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My Small Business Priorities

I. Investing in People.

The American workforce is the lifeblood of our economy. I believe that America must invest in the ingenuity of its workers and entrepreneurs by providing small businesses with better access to capital and opportunities to succeed, ensuring more access to mid-career education and skills, and promoting national excellence in math and science education.

Better access to capital for small businesses. Small businesses are having trouble accessing credit because of the financial crisis. These businesses are responsible for approximately 70% of all new jobs created in the economy and drive much of the innovation in America. I support policies that will free up capital for existing small businesses and provide incentives for the creation of new ones.

- **I voted** to help pass H.R. 5297, the **Small Business Lending Fund Act**, which will establish a \$30 billion fund to boost lending to small businesses looking to hire and expand their operations by providing additional capital to community banks.
- **I introduced** the amendment to the **Small Business Lending Fund Act** that requires banks receiving funds under this Act to provide specific outreach to women, minority, and veteran owned businesses, to make them aware of the availability of Small Business Lending Funds.
- **I cosponsored** H.R. 1552, the **Small Business Formation and Job Creation Act**, which quadruples the deduction for small business start-up costs. With small business start-up costs now averaging \$80,000, this can help more small businesses get off the ground and stay viable.

II. Investing in Ideas.

To maintain America's innovative edge, American workers and companies deserve a strong "ideas infrastructure" that nourishes research and development, rewards cutting-edge technologies innovation, and protects American intellectual property both home and abroad. I believe in the importance of strategic investments to ensure that our country gets the full benefit of American ideas and innovation.

- **I voted** to pass the **SBIR/STTR Reauthorization Act of 2009**. This bill modernizes and expands the small business research and development programs - The Small Business Innovation and Research (SBIR) and Small Business Technology Transfer (STTR) programs. This legislation:
 - 1.) Expands the SBIR programs by making small businesses with venture capital investors eligible for SBIR funding, allowing them to grow and continue innovation.
 - 2.) Cuts red tape in the SBIR and STTR programs and doubles the award sizes (to \$250,000 for early stage research and \$2 million for later stage research).
- **I introduced** the amendment to the SBIR/STTR Reauthorization Act that will establish a program to make grants available to minority colleges and universities that partner with nonprofit organizations that have experience developing relationships between industry and minority institutions. Working together, nonprofits and minority colleges and universities will work with small businesses for the purpose of increasing the number of SBIR and STTR program applications by minority-owned small businesses.

III. Helping companies and workers compete and win.

In an increasingly dynamic global economy, American workers and companies must have the benefit of a competitive tax and regulatory structure that allows them to compete and win. I believe that the U.S. government must be a strong advocate for the interests of American workers and encourage new investments in American technologies and products, promote exports of American products and services, and remove unnecessary tax and regulatory burdens that disadvantage American companies.

I invested in Small Businesses Recovery and Helped Unlock Credit Markets by voting for passage of H.R. 1 The American Recovery and Reinvestment Act of 2009, which was signed by the President 2/17/2009.

The Recovery Act made significant investments in American small businesses including:

- Spurring lending and borrowing by providing \$630 million for loan and loan guarantees to the Small Business Administration (SBA), temporarily eliminating fees in the 7(a) and 504 business loan programs as well as increasing the percentage of a loan that the SBA can guarantee in the 7a loan program from 75% to 90%.
- Providing tax incentives to help small businesses recover, including the Net Operating Loss Carryback, a cut in the capital gains tax on investors, and Energy Efficiency incentives.
- Expanding existing SBA programs, including the microloan program and the Surety Bond program, to boost access to capital and retain and create jobs.

Small Business Resources

U.S. Small Business Administration

Congress created the Small Business Administration (SBA) in 1953 to encourage independently owned and operated enterprises. The federal government's "small business resource," the SBA has a field office in Atlanta. They can be contacted at:

Small Business Administration - Georgia District Office

233 Peachtree Street, NE, Suite 1900

Atlanta, GA 30303

(404) 331-0100

(800) 877-8339 TDD/TTY

Office Hours 8:30am to 5:00pm

The most important part of a successful business of any size is getting started. Once you have decided what type of business you want to start, and who you want to work with, there are many other decisions to be made. What type of legal structure will you use? How will you insure your business and yourself? How will you keep your records? You can find suggestions to help you answer these and other questions in the [SBA Start-Up Guide](#):

<http://www.sba.gov/smallbusinessplanner/index.html>

Export-Import Bank

The Export-Import Bank provides guarantees of working capital loans for U.S. exporters, guarantees the repayment of loans, and makes loans to foreign purchasers of U.S. goods and services.

U.S. Business Advisor

There are over 60 Federal agencies with regulations or suggestions for businesses. The SBA has funded the U.S. Business Advisor to help you gain easy access to the federal agencies that will regulate your business. The website contains the latest information to help your business, a search engine, and many of the forms you may need to submit to get your business operational, and keep it running legally.

<http://www.business.gov/>

Department of the Treasury

The Department of the Treasury has established an Office of Small Business and Development, and an **Office of Small and Disadvantaged Business Utilization** to provide help to small businesses. This site can be especially useful for minority-owned businesses, woman-owned businesses, veteran owned businesses, and businesses in under-utilized business zones.

<http://www.ustreas.gov/offices/management/dcfo/osdbu/>

Internal Revenue Service

The Internal Revenue Service (IRS) has billed the Small Business section of its web site "**Your One-Stop Business Resource.**" This site contains streaming video on a variety of small business issues, toll free numbers to reach the IRS, and information on where to file your tax returns.

<http://www.irs.gov/businesses/small/>

Occupational Safety and Health Administration

For regulations affecting businesses, the Occupational Safety and Health Administration (OSHA) sets most of the federal standards regarding workplace safety. Within their website is the OSHA Small Business page. It contains many resources for small businesses to encourage safety and good health within the workplace. This page includes the link to every local OSHA office. The Georgia Area Office can be contacted at the following location:

<http://www.osha.gov/>

Savannah Area Office

450 Mall Boulevard, Suite J

Savannah, Georgia 31406

(912) 652-4393

(912) 652-4329 FAX

Opportunities for Minority Business Owners



SBA 8(a) Business Development Program

The SBA administers a business assistance program for small disadvantaged businesses. The program is the 8(a) Business Development Program. The 8(a) Program offers a broad scope of assistance to firms that are owned and controlled at least 51% by socially and economically disadvantaged individuals.

Eligibility Requirements

To qualify for the program, a small business must be owned and controlled by a socially and economically disadvantaged individual. Under the Small Business Act, certain presumed groups include African Americans, Hispanic Americans, Asian Pacific Americans, Native Americans, and Subcontinent Asian Americans. Other individuals can be admitted to the program if they show through a "preponderance of the evidence" that they are disadvantaged because of race, ethnicity, gender, physical handicap, or residence in an environment isolated from the mainstream of American society. In order to meet the economic disadvantage test, all individuals must have a net worth of less than \$250,000, excluding the value of the business and personnel residence.

Successful applicants must also meet applicable size standards for small business concerns; be in business for at least two years; display reasonable success potential; and display good character. Although the two-year requirement may be waived, firms must continue to comply with various requirements while in the program.

8(a) Mentor Protégé Program

The SBA's 8(a) Program has implemented the new Mentor-Protégé Program to allow starting 8(a) companies to learn the ropes from experienced businesses. Their task is to teach 8(a) and other small companies how to compete in the Federal contracting arena and how to take advantage of greater subcontracting opportunities available from large firms as the result of public-private partnerships.

Georgia Minority Business Enterprise Center

The **Georgia Minority Business Enterprise Center (GMBEC)** is part of a national network of centers established to increase the number of minority-owned businesses and strengthen existing ones. Their services are designed to improve access to capital, make your business more profitable, create jobs, and make your company sustainable.

Funded by the U.S. Department of Commerce's **Minority Business Development Agency (MBDA)** and operated by the Georgia Tech Enterprise Innovation Institute, The **Georgia Minority Business Enterprise Center** is committed to working with **Minority Business Enterprises (MBEs)** needing assistance in expansion, and sustainability. GMBEC employees have years of business and financial experience to help meet your needs and offer a range of resources that fully address all of your business requirements.

Contact

Donna Ennis
Project Director
75 5th Street, Suite 700
Atlanta, GA 30308-0640
Phone: 404-894-2096
Fax: 404-894-8194

Opportunities for Women Business Owners



The Office of Women's Business Ownership (OWBO) exists to establish and oversee a network of Women's Business Centers (WBCs) throughout the United States and its territories. Through the management and technical assistance provided by the WBCs, entrepreneurs, especially women who are economically or socially disadvantaged, are offered comprehensive training and counseling on a vast array of topics in many languages to help them start and grow their own businesses.

Georgia

Women's Economic Development Agency, Inc. 675 Metropolitan Parkway, SW., Suite 2026 Atlanta, GA 30310 Director: Carolina Ramon Phone: 678-904-2201 Email: cramon@weda-atlanta.org Website: www.weda-atlanta.org

The Edge Connection, Inc. Kennesaw State University 1000 Chastain Road, # 3305 Kennesaw, GA 30144 Director: Janine Anthony Phone: 770-499-3228 Email: jantho10@kennesaw.edu Website: www.theedgeconnection.com

Additional Resources

- 1.) **National Association of Women Business Owners**
<http://www.nawbo.org/>
- 2.) **Women Owned Businesses Selling to Government**
<http://www.womenbiz.gov/>

- 3.) **Center for Women's Business Research**
www.womensbusinessresearch.org/

Opportunities for Veteran Business Owners



The **Office of Veterans Business Development** helps maximize the availability, applicability and usability of all administration small business programs for Veterans, Service-Disabled Veterans, Reserve Component Members, and their Dependents or Survivors.

Veterans Business Outreach Program

The Veterans Business Outreach Program (VBOP) is designed to provide entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business. The SBA has sixteen organizations participating in this cooperative agreement and serving as Veterans Business Outreach Centers (VBOC).

Services Provided by Veterans Business Outreach Centers:

Pre-Business Plan Workshops

VBOCs conduct entrepreneurial development workshops dealing specifically with the major issues of self-employment. An important segment of these workshops entails the usage of the Internet as a tool for developing and expanding businesses. Each client is afforded the opportunity to work directly with a business counselor.

Concept Assessments

VBOCs assist clients in assessing their entrepreneurial needs and requirements.

Business Plan Preparations

VBOCs assist clients in developing and maintaining a five-year business plan. The business plan includes such elements as the legal form of the business, equipment requirements and cost, organizational structure, a strategic plan, market analysis, and a financial plan. Financial plans include financial projections, budget projections, and funding requirements.

Comprehensive Feasibility Analysis

VBOCs provide assistance in identifying and analyzing the strengths and weaknesses of the business plan to increase the probability of success. The results of the analysis are utilized to revise the strategic planning portion of the business plan.

Entrepreneurial Training and Counseling

VBOCs, working with other SBA resource partners, target entrepreneurial training projects and counseling sessions tailored specifically to address the needs and concerns of the service-disabled veteran entrepreneur.

Mentorship

VBOCs conduct, as appropriate, on-site visits with clients to ensure adherence to their business plans. Additionally, VBOCs review monthly financial statements to determine whether a revision of the business plan is warranted or that desired results are being attained.

Other Business Developmental Related Services

VBOCs also provide assistance and training in such areas as international trade, franchising, Internet marketing, accounting, etc.

Veterans Business Development Officers in Georgia

Jorge Valentine Stone

Georgia District Office

HARRIS TOWER

233 Peachtree St., Suite 1900

Atlanta, GA 30303

Tel No. (404) 331-0100 Ext. 609

Fax No. (202) 481-5239

111th Congress Accomplishments for Small Businesses

1. **The American Recovery and Reinvestment Act (H.R.1): Signed by the President 2/17/2009**
 - Spurred lending and borrowing by providing \$630 million for loan and loan guarantees to the Small Business Administration/
 - Provided tax incentives to help small businesses.
 - Expanded existing SBA programs including the microloan program and the Surety Bond program to boost access to capital and create and retain jobs.

2. **The Job Creation Through Entrepreneurship Act of 2009 (H.R. 2352): Passed by the House on 5/20/2009**
 - Modernized and expands key existing SBA entrepreneurial development programs – such as Small Business Development Centers (SBDCs), Women’s Business Centers (WBCs), and the Service Corps of Retired Executives (SCORE)
 - Creates new opportunities for entrepreneurs to do business with the Federal Government, participate in the green economy, and access training and resources.
 - Creates a grant program specifically designed to assist small firms in securing capital, such as the \$21 billion in new small business lending generated under the Recovery Act.

3. **Modernized Small Business Innovation and Research Programs: SBIR/STTR Reauthorization Act of 2009 (H.R. 2965) Passed by the House 07/08/2009**
 - Expands the SBIR Programs by making small businesses with venture capital investors eligible for SBIR funding, allowing them to grow and continue innovating.

- Cuts red tape in the SBIR and STTR programs and doubles the award sizes (to \$250,000 for early stage research and \$2 million for later stage research).
4. **The Small Business Financing and Investment Act of 2009 (H.R. 3854):
Passed by the House on 10/29/2009**
- Expands and improves SBA Loan Programs by increasing the maximum 7(a) loans from the current level of \$2 million to \$3 million.
 - Makes accessing SBA loans easier by streamlining the application process, and providing training and assistance to small businesses seeking loans.
 - Establishes a new public/private partnership at the SBA to channel investment capital to emerging small businesses.
 - Promotes entrepreneurship for veterans, rural small businesses and women by cutting red tape, providing additional tools and outreach.
5. **The Worker, Homeownership, and Business Assistance Act (H.R. 3548):
Signed by the President 11/6/2009**
- Provided tax relief to struggling small businesses by expanding the net operating loss provision to write off losses incurred in 2008 or 2009 against taxes assessed over the previous 5 years (rather than 2 years in existing law), which resulted in tax refunds for many small businesses.
6. **The Hiring Incentives to Restore Employment Act (HR 2847):
Signed by the President 3/18/2010**
- This legislation includes key tax incentives for small businesses, including creating payroll tax incentives for businesses that hire unemployed workers and an income tax credit of \$1,000 for businesses that retain these employees or at least one year.
 - Spurs new investments in small businesses, boosting hiring and growth, by extending the Recovery Act provisions that double the

amount small businesses can immediately write off their taxes for capital investments and purchases of new equipment made in 2010 for \$125,000 to \$250,000

**7. The Small Business and Infrastructure Jobs Tax Act of 2010 (H.R. 4849):
Passed by the House on 3/24/2010**

- Increases start-up cost deductions for entrepreneurs up to \$20,000 (from \$5,000)
- Boosts small business investment by increasing the capital gains tax cut for those who invest in small businesses.
- Fixes a tax shelter disclosure penalty that had a disproportionate effect on small businesses.

**8. The House passed the Small Business Jobs and Credit Act (HR 5297) on
6/17/2010**

- This bill creates a **Small Business Lending Fund** which delivers loans to small business on Main Street to push the recovery forward and create jobs through a new \$30 billion lending fund for small and medium sized community banks (\$10 billion or under) that could leverage up to \$300 billion in lending.
- CBO estimates that this provision would actually save taxpayers \$1 billion over 10 years, as banks are expected to pay back these funds over 10 years with interest.

**9. The House Passed the Small Business Jobs Tax Relief Act (HR 5486) on
6/15/2010**

- This bill spurs investment in small businesses by increasing the capital gains tax cut for those who invest in small businesses this year.
- Increases the deduction for business start-up expenditures: Increases to \$20,000 (from \$5,000 in current law) the deduction for start-up expenditures in connection with

investigating the creation of a business and allows more businesses to qualify for the maximum deduction. By allowing entrepreneurs to recover more start-up expenses, small business owners can focus more on hiring new workers and growing their businesses.

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