

SCORE CPA December 2010 Special Edition – SBA

Big News for Small Business in Western Pennsylvania: How the SBA is helping small business



Each new fiscal year ushers in new programs and policies and FY2011 certainly is no exception. U.S. Small Business Administration District Director Carl B. Knoblock speaks about new programs and initiatives recently implemented or that you will see in the coming year.



U.S. SBA District Director, Carl B. Knoblock speaks to SCORE CPA members at their December 7th meeting.

JOBS BILL

- Signed by the President on 27 September, the law extends Recovery Loans (90% guarantee and reduced guarantee fees).
- Increases 7(a) loan limits from \$2 million to \$5 million.
- Increases 504 loans (manufacturing only) to \$5.5 million, was \$4 million.
- Increases size standards for small businesses enabling them to receive financing
- Microloans increased from \$35k to \$50k.
- Tax breaks, accelerated depreciation, zero capital gains tax for those investing in small biz, deductions for employee-provided cell phones, deductions for health insurance costs for self-employed.
- Additional funding for SBDCs from provisions in Jobs Bill.
- First Step courses will be offered for free
- Online "Starting a Business" tutorial will be updated.
- First Step marketing and course materials will be updated based on best practices.
- Each center will be able to support a part-time counselor

EXPORTING

- Export Express Program is now permanent; the program boasts 90% guarantees for loans up to \$350k and 75% guarantees for loans between \$350-500k.
- Allows lenders to make export loans and lines of credit utilizing their own forms and making their own credit decisions.
- SBA offers a 36-hour approval turnaround for Export Express.
- Program offers flexible terms
- Loan proceeds can be used for any worthwhile business expense that will help a company start or expand an export market.

WOSB Contracting Program (Women-Owned Small Business)

- Available in Feb. 2011 for small, women-owned firms.
- Expands federal contract opportunities for WOSB
- Identifies 83 industries where WOSB are under-represented, hoping to help WOSB achieve the statutory goal of 5 percent of federal contracting dollars going to WOSB.
- To be eligible, a firm must be 51 percent owned and controlled by one or more women.
- Must be small in accordance with SBA size standards
- Set-aside for federal contracts for WOSB where the contract is not greater than \$3 million or \$5 million for manufacturing

- WOSB must self-certify at the federal Online Representation and Certification Application (ORCA) website and SBA maintains copies of eligibility documents.
- All federal agency contracting officials will have access to this self-certification site.

WEBSITE

New Year will usher in a new SBA website.

- New, user-friendly site to be launched soon.
- SBA.gov recently was opened for internal use.

SOCIAL MEDIA

- District offices soon will have their own *Facebook* and *Twitter* presence
- We will update our resource partners when our local sites are up and running.
- I urge you to take advantage of our *Facebook* site as we can post your events, success stories and pictures.
- Posts on *Twitter* are limited to 130 characters.
- In addition to the Western Pa SBA *Facebook* and *Twitter* sites, explore the option of creating your own blog or *Facebook* account.
- Approximately 85% of adults utilize social media, especially *Facebook*.
- To view the Mid-Atlantic Region SBA *Facebook* and *Twitter* sites, click on the links below:
 - www.twitter.com/SBAmidatlantic
 - <http://www.facebook.com/SBAMidAtlantic>

DISASTER AWARENESS

- Private non-profit organizations can submit loan applications for Economic Injury Disaster Loans (EDIL) until Jan. 18, 2011. Program is geared to helping non-critical private non-profits (such as food kitchens, libraries, homeless shelters, colleges, museums and community centers, meet working capital needs such as operating expenses.
- Loans are available regardless if organization suffered physical property damage.
- Loans amounts can be up to \$2 million with an interest rate of 3% for up to 30 years.
- September was National Preparedness Month, and is geared to raise awareness of implementing an emergency plan in place to respond to a natural or man-made disaster.
- To prepare for a disaster, the SBA offers the following tips:
 - Develop a solid emergency response plan
 - Have adequate insurance coverage
 - Copy important records
 - Create a “disaster survival kit”
- Call 1-800-BE-READY to receive free materials on emergency plans. This phone campaign is sponsored by the Department of Homeland Security.

ECONOMIC OUTLOOK

- The Western Pennsylvania SBA footprint lies with the Marcellus Shale formation.
- This is considered the next “gold rush”.
- Representatives from companies with headquarters located in Texas, Wyoming and Oklahoma are in our area.
- Many businesses in the commonwealth have heard about Marcellus Shale, but, do not know specifics, such how the gas is extracted and potential water contamination, land cleanup.
- Local need to partner with these firms, especially EQT, to keep jobs in the region.
- Cottage industries will grow from the extraction (hydraulic fracturing) process, these jobs can include, uniform suppliers, caterers, lunch carts, lodging, environmental restoration.
- Workshops are needed to inform businesses of the apron opportunities and to introduce the small business owners (potential contractors) to the major players.

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Permission to reprint is granted by SCORE Central Pennsylvania. Please share with other Small Business people.

Chapter #618 serves Centre, Clearfield, Huntingdon, and Mifflin Counties. Its members and clients are accepted without regard to age, ancestry, color, disability or handicap, national origin, race, religious creed, sex, sexual orientation, or veteran status. SCORE CPA 2820 East College Avenue, Suite E, State College, PA 16801 Phone/Fax/24/7 Answering Machine 814-234-9415 (Centre County). Other offices: Clearfield 814-765-8987, Huntingdon County 814-643-3126 and Mifflin County 717-2348-6713 SCORE CPA Newsletter is free to anyone interested in business development issues. Tell a friend. Communicate your comments to scorecpanewsletter@scorecpa.org