

Chapter 4 – Entrepreneurship/Business Ownership

The Entrepreneurship/Business Ownership chapter is divided into sub-chapters. Chapter 4A contains information provided by the Small Business Administration, which explains the federal programs, loans, and contact information. Guard and Reserve Service members, their spouses and adult family members who own their own small business or thinking of starting a small business or franchise, should read Chapter 4A and Chapter 4B thoroughly. Information contained in these Chapters is also valuable for Guard and Reservists who work for small businesses.

Chapter 4B contains information and resources provided by the National Veterans Business Development Corporation, a federally-chartered independent 501(c)(3) non-profit organization designed to assist Veterans in starting or growing small businesses. These resources are tools created specifically to support members of the National Guard and Reserve with entrepreneurship including fully-mentored access programs and a guide to prepare businesses for deployment.

Chapter 4A – The U.S. Small Business Administration

Since 1953, the U.S. Small Business Administration has helped Veterans start, manage and grow small businesses. Today, the SBA provides specific programs for Veterans, Service-Disabled Veterans, and Reserve and National Guard Members, and they offer a full range of entrepreneurial support programs to every American, including Veterans. Their job is to help you successfully transition from world's finest warrior to world's finest small business owner.

On August 17, 1999, Congress passed **Public Law 106-50, The Veterans Entrepreneurship and Small Business Development Act of 1999**. PL 106-50 is the most important entrepreneurial legislation for Veterans since the original 1944 G.I. Bill. This law established the SBA Office of Veterans Business Development, under the guidance and direction of the *Associate Administrator for Veterans Business Development*, to conduct outreach, be the source of policy and program development for the government, and to act as an Ombudsman for veterans within the Administration.

In addition, this law created the National Veterans Business Development Corporation, set goals for federal procurement for Service-Disabled Veterans and Veterans, established the Military Reservists Economic Injury Disaster Loan, initiated new research into the success of Veterans in Small Business, and brought focus to Veterans in the full range of SBA Capital, Entrepreneurial, and Government Contracting programs.

SBA has established Veterans Business Outreach Centers, special loans and Surety Bonding programs for Veterans and Reservists, government procurement programs for Veterans, Veterans Business Development Officers in every District Office, and special outreach, counseling and training at more than 1,500 Business Development Centers.

A. Special Localized Programs

Special local initiatives target Veterans, Service-Disabled Veterans and Reserve and National Guard members to aid in starting, managing, maintaining and growing successful small businesses. On line and printed Business Planning Guides are available, including: ***Balancing Business and Deployment*** for self-employed members of the Reserve and National Guard to prepare for mobilization, and ***Getting Veterans Back to Business*** to assist in restarting or reestablishing your business upon return from active duty. These manuals include an interactive CD ROM with a wealth of information on preparing your business and your employees for your absence, re-establishing a small business upon return from Title 10 activation and information on various business assistance resources available to assist Reservist and National Guard member entrepreneurs. The CD's also contain down loadable and printable information on loans, government procurement and information describing the full range of SBA's assistance to any veteran. In addition SBA has established an online Business Matchmaking program

that may prove useful to Veterans and Service-Disabled Veterans, as well as self-employed members of the Reserve and National Guard who have interest in competing in the Federal marketplace.

In carrying out their mission, SBA offers programs and services designed to assist small business owners and entrepreneurs in starting, managing and growing successful small business concerns, in part to ensure the maximum involvement and capability of small business in supporting the Global War On Terror, and to ensure they are a source of competitive American strength in the global economy.

To learn more about the programs, services and business assistance tools SBA offers as well as business and technical assistance specific to Veterans, Service Disabled Veterans and Reservists, please explore the links below, or follow-up to our local offices and programs located in or near the community you return home to.

B. The Patriot Express Pilot Loan Program

Patriot Express Pilot Loan is the latest program created by the SBA, which offers financial, procurement, and technical assistance programs to the military community. Patriot Express is a streamlined loan product with enhanced guarantee and interest rate characteristics.

Patriot Express is available to members of the military community including veterans, service-disabled veterans, active-duty Service members participating in the military's Transition Assistance Program, Reservists and National Guard members, current spouses of any of the above, and the widowed spouse of a Service member or veteran who died during service, or of a service-connected disability.

The new Patriot Express Loan is offered by SBA's network of participating lenders nationwide. It features SBA's fastest turnaround time for loan approvals. Loans are available up to \$500,000 and qualify for SBA's maximum guaranty of up to 85 percent for loans of \$150,000 or less and up to 75 percent for loans over \$150,000 up to \$500,000.

The Patriot Express Loan can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory or business-occupied real-estate purchases.

Patriot Express Loans feature SBA's lowest interest rates for business loans, generally 2.25 percent to 4.75 percent over prime depending upon the size and maturity of the loan. Local SBA district offices will have a listing of Patriot Express lenders in their areas. More details on the initiative can be found at <http://www.sba.gov/patriotexpress>.

C. District Office Veterans Business Development Officers (VBDOs)

As a new veteran, we realize you may not know a lot about the assistance available to you from SBA. To ensure that every aspiring veteran entrepreneur has access to the full range of SBA programs, and to receive the specific assistance and guidance you may be seeking, SBA has established a Veterans Business Development Officer (VBDO) in every one of the 68 SBA District Office around the nation. These Officers are responsible for providing prompt and direct assistance and guidance to any Veteran or reservist seeking information about or access to any SBA program. To identify your local VBDO, please contact either your local SBA district office (see Blue Pages) or contact OVBD at 202-205-6773 or visit <http://www.sba.gov/VETS/reprs.html>

D. Veterans Business Outreach Centers

OVBD provides operational funding to five Veterans Business Outreach Centers (VBOC) specifically established to offer and coordinate business development assistance to Veteran, Service-connected Disabled Veteran and Reservist entrepreneurs. Services provided include – face-to-face and online -

outreach, concept development, business training, counseling and mentoring. Please contact them directly at:

- The Research Foundation of the State University of New York
41 State Street
Albany, NY 12246
518-443-5398
Webpage: <http://www.nyssbdc.org/vboc>
Email: brian.goldstein@nyssbdc.org
- The University of West Florida in Pensacola
2500 Minnesota Avenue
Lynn Haven, FL 32444
1-800-542-7232 or 850-271-1108
Webpage: <http://www.vboc.org>
Email: vboc@knology.net
- The University of Texas - Pan American
1201 West University Drive
Edinburg, TX 78539-2999
956-292-7535
Webpage: <http://www.coserve.org/vboc>
Email: vboc@panam.edu
- Vietnam Veterans of California

7270 E. Southgate Drive, Suite 1
Sacramento, California 95823
916-393-1690
Webpage: <http://www.vboc-ca.org>
Email: cconley@vboc-ca.org
- Robert Morris University
600 Fifth Avenue
Pittsburgh, PA 15219
(412) 397-6842
Webpage: www.rmu.edu/vboc
Email: vboc@rmu.edu

E. Small Business Development Centers

SBA provides core funding, oversight and management to 1,100 Small Business Development Centers in all 50 states and US territories. This program provides a broad range of specialized management assistance to current and prospective small business owners. SBDCs offer one-stop assistance to individuals and small businesses by providing a wide variety of information, guidance, linkages, training and counseling in easily accessible branch locations, usually affiliated with local educational institutions.

The SBDC Program is designed to deliver up-to-date counseling, training and technical assistance in all aspects of small business management. SBDC services include, but are not limited to, assisting small businesses with financial, marketing, production, organization, engineering and technical problems, and feasibility studies.

To Find your local SBDC: <http://www.sba.gov/sbdc/sbdcnear.html> or contact your district office VBDO.

F. SCORE "Counselors to America's Small Business"

SCORE is the best source of free and confidential small business advice to help you build your business—from idea to start-up, to success. The SCORE Association, headquartered in Washington, D.C., is a nonprofit association dedicated to entrepreneurial education and the formation, growth and success of small businesses nationwide.

More than half of SCORE's extensive, national networks of 10,500 retired and working volunteers are Veterans, and they are experienced entrepreneurs and corporate manager/executives. They have worn the uniform and they have succeeded in business. They provide free business counseling and advice as a public service to all types of businesses, in all stages of development. SCORE is a resource partner with the U.S. Small Business Administration, and a resource asset for you.

- SCORE offers Ask SCORE email advice online at: (<http://www.score.org/>). Some SCORE e-counselors specifically target Veterans, Service-Disabled Veterans and Reserve Component members.
- Face-to-face small business counseling at 389 chapter offices.
- Low-cost workshops and seminars at 389 chapter offices nationwide.
- A great on line web based network.

SCORE is a nonprofit organization, which provides small business counseling and training under a grant from the U.S. Small Business Administration (SBA). SCORE members are successful, retired business men and women who volunteer their time to assist aspiring entrepreneurs and small business owners. There are SCORE chapters in every state.

Find your local SCORE Chapter at http://www.score.org/findscore/chapter_maps.html

G. Women's Business Centers

The Office of Women's Business Ownership provides women-focused (men are eligible as well) training, counseling and mentoring at every level of entrepreneurial development, from novice to seasoned entrepreneur, through representatives in the SBA district offices and nationwide networks of women's business centers (WBCs) and mentoring roundtables. Additionally, WBCs provides online training, counseling and mentoring.

Women's Business Centers represent a national network of more than 80 educational centers designed to assist women start and grow small businesses. WBCs operate with the mission to level the playing field for women entrepreneurs, who face unique obstacles in the world of business. To find your local WBC: <http://www.sba.gov/wbc.html>

H. Financial Assistance

SBA administers three separate, but equally important loan programs. The Agency sets the guidelines for the loans while our partners (Lenders, Community Development Organizations, and Micro lending Institutions) make the loans to small businesses. SBA backs those loans with a guaranty that will eliminate some of the risk to our lending partners. The Agency's Loan guaranty requirements and practices can change as Government alters its fiscal policy and priorities to meet current economic conditions. Therefore, past policy cannot always be relied upon when seeking assistance in today's market.

The loan guaranty, which SBA provides transfers the potential risk of borrower non-payment, up to the amount of the guaranty, from the lender to SBA. Therefore, when a business applies for an SBA Loan, they are actually applying for a commercial loan, structured according to SBA requirements, but provided by our cooperating lending partner, which receives an SBA guaranty.

Basic 7(a) Loan Guaranty

The 7(a) Loan Guaranty Program serves as the SBA's primary business loan program to help qualified small businesses obtain financing when they might not be eligible for business loans through normal lending channels.

Loan proceeds can be used for most sound business purposes including working capital, machinery and equipment, furniture and fixtures, land and building (including purchase, renovation and new construction), leasehold improvements, and debt refinancing (under special conditions). Loan maturity is up to 10 years for working capital and generally up to 25 years for fixed assets. SBA does target Veterans specifically in some of our loan programs. To find out more, visit <http://www.sba.gov/financing/sbaloan/7a.html>, or contact your district office, or any of the Centers or Chapters mentioned previously.

Certified Development Company 504 Loan Program

The Certified Development Company-504 loan program (CDC/504) loan program is a long-term financing tool for economic development within a community. The 504 Program provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings. A Certified Development Company is a nonprofit corporation set up to contribute to the economic development of its community. CDCs work with the SBA and private-sector lenders to provide financing to small businesses. There are about 270 CDCs nationwide. Each CDC covers a specific geographic area.

Typically, a 504 project includes a loan secured with a senior lien from a private-sector lender covering up to 50 percent of the project cost, a loan secured with a junior lien from the CDC (backed by a 100 percent SBA-guaranteed debenture) covering up to 40 percent of the cost, and a contribution of at least 10 percent equity from the small business being helped.

Microloan Program

Microloan Program provides very small loans to start-up, newly established, or growing small business concerns. Under this program, SBA makes funds available to nonprofit community based lenders (intermediaries) which, in turn, make loans to eligible borrowers in amounts up to a maximum of \$35,000. The average loan size is about \$13,000. Applications are submitted to the local intermediary and all credit decisions are made on the local level.

Terms, Interest Rates, and Fees:

The maximum term allowed for a microloan is six years. However, loan terms vary according to the size of the loan, the planned use of funds, the requirements of the intermediary lender, and the needs of the small business borrower. The maximum loan amount is \$35,000, however, the average loan amount is around \$13,000. Interest rates vary, depending upon the intermediary lender and costs to the intermediary from the U.S. Treasury. Generally these rates will be between 8 eight percent and thirteen percent.

International Trade

The Office of International Trade works in cooperation with other federal agencies and public- and private-sector groups to encourage small business exports and to assist small businesses seeking to export. Through 16 U.S. Export Assistance Centers, SBA district offices and a variety of service-provider

partners, we direct and coordinate SBA's ongoing export initiatives in an effort to encourage small businesses going global.

I. [SBA's Investment Programs](#)

In 1958 Congress created The Small Business Investment Company (SBIC) program. SBICs, licensed by the Small Business Administration, are privately owned and managed investment firms. They are participants in a vital partnership between government and the private sector economy.

All SBICs are profit-motivated businesses. A major incentive for SBICs to invest in small businesses is the chance to share in the success of the small business if it grows and prospers.

Equity (venture) capital or financing is money raised by a business in exchange for a share of ownership in the company. Ownership is represented by owning shares of stock outright or having the right to convert other financial instruments into stock of that private company. Two key sources of equity capital for new and emerging businesses are angel investors and venture capital firms.

Typically, angel capital and venture capital investors provide capital unsecured by assets to young, private companies with the potential for rapid growth. Such investing covers most industries and is appropriate for businesses through the range of developmental stages. Investing in new or very early companies inherently carries a high degree of risk. But venture capital is long term or "patient capital" that allows companies the time to mature into profitable organizations.

Surety Bond Guarantee Program

The Surety Bond Guarantee (SBG) Program was developed to provide increased bonding opportunities to small Veteran and minority contractors to support contracting opportunities for which they would not otherwise bid. If your small construction, service or supply company bids or performs projects requiring surety bonds, the U.S. Small Business Administration has a program that could help make you more competitive.

Small business contractors and manufacturers can overcome challenges they face in winning government or private contracts by using the SBA's Surety Bond Guarantee Program. A surety bond is a three-way agreement between the surety company, the contractor and project owner. The agreement with the SBA guarantees the contractor will comply with the terms and conditions of the contract. If the contractor is unable to successfully perform the contract, the surety assumes the contractor's responsibilities and ensures that the project is completed.

The SBA Surety Bond Guarantee Program covers four types of major contract surety bonds:

- **Bid Bond** – guarantees the project owner that the bidder will enter into the contract and furnish the required payment and performance bonds.
- **Payment Bond** – guarantees the contractor will pay all persons who furnish labor, materials, equipment or supplies for use on the project.
- **Performance Bond** – guarantees the contractor will perform the contract in accordance with its terms, specifications and conditions.
- **Ancillary Bond** – bonds that are incidental and essential to the performance of the contract.

The overall surety bond program has two programs:

- **The Prior Approval Program** – The SBA guarantees 80 or 90 percent of a surety's loss. Participating sureties must obtain SBA's prior approval for each bond.

- **The Preferred Surety Bond Program** – Selected sureties receive a 70 percent guarantee and are authorized to issue, monitor and service bonds without the SBA's prior approval.

Program eligibility requirements

In addition to meeting the surety company's bonding qualifications, you must qualify as a small business concern, as defined by SBA. For federal prime contracts, your company must meet the small business size standard for the North American Industry Classification System (NAICS) Code that the federal contracting officer specified for that procurement. For more information about the Surety Bond Guarantee Program, visit <http://www.sba.gov/osg/>

J. Business Planning and Disaster Assistance For Small Businesses who Employ or are Owned by Military Reservists

All of the technical assistance programs referenced above can provide pre and post mobilization business counseling and planning assistance to any Reservist who owns their own business or to the business they work for. We also offer assistance to the caretaker of the business who may manage the business while the reservist is activated.

Our Office of Disaster Assistance also offers the Military Reservist Economic Injury Disaster Loan (MREIDL) program at very favorable rates and terms. The purpose of the MREIDL is to provide funds to eligible small businesses to meet its ordinary and necessary operating expenses that it could have met, but is unable to meet, because an essential employee was "called-up" to active duty in their role as a military reservist. These loans are intended only to provide the amount of working capital needed by a small business to pay its necessary obligations as they mature until operations return to normal after the essential employee is released from active military duty. The purpose of these loans is not to cover lost income or lost profits. MREIDL funds cannot be used to take the place of regular commercial debt, to refinance long-term debt or to expand the business. Contact your district office or visit: http://www.sba.gov/disaster_recov/loaninfo/militaryreservist.html

K. Government Procurement

The Office of Government Contracting (GC) works to create an environment for maximum participation by small, disadvantaged, woman, Veteran and Service-Disabled Veteran-owned small businesses in federal government contract awards and large prime subcontract awards. GC also advocates on behalf of small business in the federal procurement arena.

The federal government purchases billions of dollars in goods and services each year. To foster an equitable Federal procurement policy, it is the policy of the Congress and it is so stated in the Small Business Act, that all small businesses shall have the maximum practicable opportunity to participate in providing goods and services to the Government. To ensure that small businesses get their fair share of Federal procurements, the President has established an annual 23 percent Government-wide procurement goal to small business concerns, small businesses concerns owned and controlled by service disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals and small business concerns owned and controlled by women. The individual program goals are: 5 percent of prime and subcontracts for small disadvantaged businesses; 3 percent of prime and subcontracts for Hubzone businesses; and 3 percent of prime and subcontracts for service-disabled veteran-owned small businesses. The SBA negotiates annual procurement preference goals with each Federal agency and reviews each agency's results. The SBA is responsible for ensuring that the statutory government-wide goals are met in the aggregate. In addition, large business prime contractors are statutorily required to establish subcontracting goals for veteran-owned small businesses as part of each subcontracting plan submitted to the Government in response to a prime Federal contract opportunity.

GC administers several programs and services that assist small businesses in meeting the requirements necessary to receive government contracts, either as prime contractors or subcontractors. These include the Certificate of Competency, the Non-Manufacturer Rule Waiver, and the Size Determination programs. The office also oversees special initiatives such as the Women's Procurement program, the Veteran's Procurement program, the Procurement Awards program, and the Annual Joint Industry/SBA Procurement Conference.

Resources and Opportunities – Contact your local SBA district office or visit: <http://www.sba.gov/GC/indexwhatwedo.html>

Federal Agency Procurement Forecast: <http://www.sba.gov/GC/forecast.html>

L. SBA Contacts and Representatives:

Subcontracting Opportunities Directory Contains a listing of Prime Contractors doing business with the federal government: <http://www.sba.gov/GC/indexcontacts-sbsd.html>

Procurement Technical Assistance Centers (PTACS)

The Defense Logistics Agency, on behalf of the Secretary of Defense, administers the DoD Procurement Technical Assistance Program (**PTAC**). PTA Centers are a local resource available that can provide assistance to business firms in marketing products and services to the Federal, state and local governments. <http://www.dla.mil/db/procurem.html>

Procurement Center Representatives

SBA's Procurement Center Representatives (PCR), who are located in area offices, review and evaluate the small business programs of federal agencies and assist small businesses in obtaining federal contracts and subcontracts.

TPCR – Traditional Procurement Center Representative – TPCRs increase the small business share of Federal procurement awards by initiating small business set-asides, reserving procurements for competition among small business firms; providing small business sources to Federal buying activities; and counseling small firms.

BPCR – Breakout Procurement Center Representative – BPCRs advocate for the breakout of items for full and open competition to effect savings to the Federal Government.

CMRs – Commercial Marketing Representatives - CMRs identify, develop and market small businesses to large prime contractors and assist small businesses in identifying and obtaining subcontracts.

Contact your local SBA district office or visit site: <http://www.sba.gov/GC/pcr.html>

M. Office of Small and Disadvantaged Business Utilization

The OSDBUs offer small business information on procurement opportunities, guidance on procurement procedures, and identification of both prime and subcontracting opportunities. OSDBUs also have Veteran Small Business Representatives. If you own, operate or represent a small business, you should contact the Small Business Specialists for marketing assistance and information. The Specialists will advise you as to what types of acquisitions are either currently available or will be available in the near future.

Contact your local SBA Office or visit: <http://www.osdbu.gov/Listofmembers.htm>

N. GC Programs

Section 8(a) Program/Small Disadvantaged Business Certification Program

The SBA administers two particular business assistance programs for small disadvantaged businesses (SDBs). These programs are the 8(a) Business Development Program and the Small Disadvantaged Business Certification Program. While the 8(a) Program offers a broad scope of assistance to socially and economically disadvantaged firms, SDB certification strictly pertains to benefits in Federal procurement. Companies which are 8(a) firms automatically qualify for SDB certification.

Contact your local SBA Office or visit: <http://www.sba.gov/8abd/>

Small Disadvantaged Business

While the 8(a) Program offers a broad scope of assistance to socially and economically disadvantaged firms, SDB certification strictly pertains to benefits in federal procurement. SBA certifies SDBs to make them eligible for special bidding benefits. Evaluation credits available to prime contractors boost subcontracting opportunities for SDBs. We have become, in effect, the gateway to opportunity for small contractors and subcontractors.

Qualifications for the program are similar to those for the 8(a) Business Development Program. A small business must be at least 51% owned and controlled by a socially and economically disadvantaged individual or individuals. African Americans, Hispanic Americans, Asian Pacific Americans, Subcontinent Asian Americans, and Native Americans are presumed to qualify. Other individuals can qualify if they show by a "preponderance of the evidence" that they are disadvantaged. All individuals must have a net worth of less than \$750,000, excluding the equity of the business and primary residence. Successful applicants must also meet applicable size standards for small businesses in their industry.

HUBZone Empowerment Contracting Program

The HUBZone Empowerment Contracting Program stimulates economic development and creates jobs in urban and rural communities by providing Federal contracting preferences to small businesses. These preferences go to small businesses that obtain HUBZone (Historically Underutilized Business Zone) certification in part by employing staff that live in a HUBZone. The company must also maintain a "principal office" in one of these specially designated areas. A principal office can be different from a company headquarters, as explained in our section dedicated to Frequently Asked Questions.

Contact your local SBA Office or visit: <https://eweb1.sba.gov/hubzone/internet/>

Service-Disabled Veteran-Owned Small Business Concern Program
web site: <http://www.sba.gov/gc/indexprograms-vets.html>

On May 5, 2004, the U.S. Small Business Administration (SBA) issued regulations in the Federal Register as an Interim Final Rule implementing Section 36 of the Veterans Benefits Act of 2003 (Public Law 108-183).

Section 308 of PL 108-183, amended the Small Business Act to establish a procurement program for Small Business Concerns (SBCs) owned and controlled by service-disabled veterans. This procurement program provides that contracting officers may award a sole source or set-aside contract to service-disabled veteran business owners, if certain conditions are met.

Finally, the purpose of this procurement program is to assist agencies in achieving the 3 percent government-wide goal for procurement from service-disabled veteran-owned small business concerns.

O. Important Definitions

Veteran – a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable.

Service-Disabled Veteran – a person with a disability that is service-connected which was incurred or aggravated in line of duty in the active military, naval, or air service.

Service-Disabled Veteran with a Permanent and Severe Disability – a veteran with a service-connected disability that has been determined by the U.S. Department of Veterans Affairs to have a permanent and total disability for purposes of receiving disability compensation or a disability pension.

Permanent Caregiver – a spouse, or an individual 18 years of age or older, who is legally designated, in writing, to undertake responsibility for managing the well-being of a service-disabled veteran, to include housing, health and safety.

Service-Disabled Veteran-Owned Small Business Contracts

SDVO contracts are contracts awarded to an SDVO SBC through a sole source award or a set-aside award based on competition restricted to SDVO SBCs. The contracting officer for the contracting activity determines if a contract opportunity for SDVO competition exists.

SDVO SBC Set-Aside Contracts:

The contracting officer may set-aside acquisitions for SDVO SBCs if:

- the requirement is determined to be excluded from fulfillment through award to Federal Prison Industries, Javits Wagner-O'Day, Orders under Indefinite Delivery Contracts, Orders against Federal Supply Schedules, Requirements currently being performed by 8(a) participants, and Requirements for commissary or exchange resale items.
- the requirement is not currently being performed by an 8(a) participant, and unless SBA has consented to release of the requirement from the Section 8(a) Program
- SBA has not accepted the requirement for performance under the 8(a) authority, unless SBA has consented to release of the requirement from the Section 8(a) Program
- there is a reasonable expectation that at least two responsible SDVO SBCs will submit offers
- the award can be made at a fair market price

SDVO SBC Sole Source Contracts:

A contracting officer may award a sole source contract to a SDVO SBC if the contracting officer determines that none of the SDVO SBC set-aside exemptions or provisions apply and the anticipated award price of the contract, including options, will not exceed:

- \$5.5 million for manufacturing requirements
- \$3.5 million for all other requirements
- the SDVO SBC is a responsible contractor able to perform the contract
- award can be made at a fair and reasonable price

SDVO SBC Simplified Acquisition Contracts:

If a requirement is at or below the simplified acquisition threshold, a contracting officer may set-aside the requirement for consideration among SDVO SBCs using simplified acquisition procedures or may award a sole source contract to a SDVO SBC.

Contact your local SBA Office or visit: <http://www.sba.gov/gc/indexprograms-vets.html>

Chapter 4B – National Veterans Business Development Corporation

The following information and resources will help members of the National Guard and Reserve enter into entrepreneurship, grow existing small businesses, and prepare businesses for absences caused by deployment. This information is provided by The Veterans Corporation, a federally-chartered independent, non-profit organization dedicated to assisting Veterans with starting or growing small businesses.

The Veterans Corporation has a number of programs designed specifically to help National Guard and Reserve entrepreneurs succeed in business. The core programs offered by TVC include **“Boots2Business”**, **“Deploy Proof Your Business”**, **Access to Capital**, and **Access to Surety Bonding**. In addition, there are several other programs currently offered to guide you in starting or growing a small business. These programs are listed below. Plus, we are always able to work one-on-one with you to get you the specific business assistance you need. Visit <http://www.veteranscorp.org/> for more information.

A. Boots2Business

Boots2Business <http://www.boots2business.com/> is a comprehensive on-line resource, providing education and workplace training that is uniquely tailored to meet the needs of America’s military personnel including those in theater in Iraq and Afghanistan, as well as Veterans, members of the National Guard and Reserve, Service-Disabled Veterans, and their families. Boots2Business combines elements from successful programs used independently in thousands of vocational schools, job-training centers, community colleges, detention and correctional facilities, Job Corps centers and adult education programs nationally. TVC has integrated these elements into a cohesive and interactive online program that provides support to the basic, transitional, workforce, family and entrepreneurial needs of Guard and Reserve Veterans, Service-Disabled Veterans, and their families.

This program has five key areas:

- Basic Skills, Catching up/Stepping up
- Transition Skills, Job and Career Preparation
- Workforce Success Skills, Getting a job and keeping it
- Entrepreneurial Skills, Start and Grow a small business
- Family Resource Center, Life and family support

Within these five sections are 31 clusters with 1,000 course lessons and many tutorials to guide the student through their specific needs. Access to this site is in the form of a scholarship to the Veteran and their family. Each scholarship is for one year and is provided by granting organizations or by TVC directly. The cost for each scholarship is \$100. Were a Veteran to purchase access to all the elements of Boots2Business without TVC, the cost would exceed \$132,000 per year.

TVC currently has 300 scholarships for Veterans and Service-Disabled Veterans in New Jersey that are provided by the Henry H. Kessler Foundation. TVC is directly sponsoring a block of 600 scholarships divided equally between its three hubs. Each hub will coordinate a state-wide outreach giving Boots2Business a four-state network. An additional 200 scholarships have been made possible through a grant from NEC Foundation of America for national outreach. TVC is currently working with a number of corporations and foundations to extend this valuable scholarship program to all Veterans and their families.

B. Deploy Proof Your Business

Deploy Proof Your Business is an online tool designed to help members of the National Guard and Reserve who own small businesses. Absences away from a business are inevitable for members of the Guard and Reserve due to training and possible deployment. Because many entrepreneurs are unprepared to leave their businesses, they are often forced to close down without a plan or the funds in place to re-launch the business when they return.

This guide is designed to help those business owners prepare for absences from their businesses in advance by helping them determine the best path for their business while they are away. Whether the decision is to sustain the business or to suspend the business, Deploy Proof Your Business will examine the options available and teach entrepreneurs what they need to do as they prepare for deployment.

Deploy Proof Your Business includes detailed sections covering a wide range of topics affecting business owners including:

- Learning to write a deployment plan and what to include
- Protecting yourself from legal and financial issues that may arise while you are gone
- Training your employees to operate the business while you are deployed
- Storing or liquidating your inventory while you are away
- Comparing the one-time and recurring costs of business
- Securing your business, inventory, and customer accounts
- Utilizing the latest technology to help sustain your business
- Planning to return and re-launch your business

In addition, Deploy Proof Your Business serves as a referral guide to point Guard and Reserve entrepreneurs to the best information available to them, because every business is unique and every situation requires its own set of tools in order to make the right decision.

TVC is proud to support America's National Guard and Reserve entrepreneurs with Deploy Proof Your Business. For more information about this program, or to begin preparing your business for deployment, visit <http://www.deployproof.com/>.

C. Access to Capital

TVC has partnered with the National Economic Opportunity Fund (NEOF) to give Veteran entrepreneurs access to capital, financial services, and business development assistance.

From start-up businesses to established businesses looking to expand, TVC understands that financing is an essential need for any business owner. In fact, it is the number one question we receive from our members. A study entitled *Veteran Entrepreneurship and Business Ownership in the Veteran Population* published in November 2004 concluded that access to capital was the number one barrier to Veterans' abilities to start businesses. Further, Service-Disabled Veterans lacked adequate access to capital at a 50 percent greater rate than the general Veteran population. The study emphasized that providing Veterans with adequate access to capital would greatly increase new job creation in the United States.

Through TVC's partnership with NEOF, a help desk is available to provide Veteran and Service-Disabled Veteran entrepreneurs with access to capital, business incubation, and financial strategy assistance through a series of core help desk services. These services include:

- Knowledgeable review of your business idea
- Creation of your business message: what is the "ask" and who should be asked?
- Evaluation of your funding balance: how much are your assets worth and how much debt should you assume?

- Assessment of underwriting and financing conditions: what is your credit score and do you have financial history issues?
- Relationship-building between Veterans and multiple lenders for access to capital
- On-going business development assistance after initial financing

In addition, TVC and NEOF have developed a small business and micro loan program for Veterans and Service-Disabled Veterans. Through this unique program, TVC members have access to financing that is designed to help them succeed in the first stages of business development and early business growth. TVC and NEOF are working with multiple lending partners to provide loans between \$5,000 and \$300,000 as well as larger loans up to \$3,000,000.

Visit <http://www.veteranscorp.org/Public/AccessToCapital.aspx> to get started today!

D. Access to Surety Bonding

TVC provides Veteran contractors with access to surety bonding through an exclusive partnership with the Surety and Fidelity Association of America. Unlike other bonding programs available, this program is designed solely for Veterans, including members of the National Guard and Reserve. It is a fully-mentored program with no cap on the amount of the bond you can receive.

Last year, the value of construction put into place, excluding single family residential construction, was about \$550 billion. For Veteran contractors to secure some of that work, especially in the public sector, they must be surety bonded.

Surety bonds provide financial security and construction assurance to project owners by verifying that contractors are capable of performing the work and will be subcontractors, laborers, and material suppliers. There are three basic types of contract surety bonds:

- Bid bond
- Performance bond
- Payment bond

Surety bonds are extremely important for contractors and subcontractors. By the Miller Act of 1935, federal law mandates performance bonds for public works contracts over \$100,000 and payment bonds for contracts over \$25,000. In addition, most states require performance and payment bonds on all state and local public works projects.

TVC's partnership with SFAA provides both current and emerging Veteran contractors and subcontractors with the education and training they need to do business with the government. TVC members can become experts in government contracting and surety bonding with four unique two-hour training modules conducted by SFAA:

- Module A—Introduction to Surety Bonding: presents the basics of surety bonding including how to obtain a bond, the costs of bonding, and how to develop a surety bond relationship
- Module B—Construction Accounting and Financial Management: provides accounting fundamentals from job costing to financial reporting as well as construction-specific practices for contractors
- Module C—Project Management: covers such topics as project planning methods, estimating bids, job costing and scheduling
- Module D—Why Contractors Fail: identifies the most common reasons why contractors fail, the ways to avoid common pitfalls, and the role surety bonding plays in ensuring contractor success

If you are interested in doing business with the government, you won't want to miss out on TVC's comprehensive, fully-mentoring bonding program. We can help you fully prepare for your bond, identify a

knowledgeable surety bond producer, and have your bond application submitted to a surety company for underwriting. Visit <http://www.veteranscorp.org/Public/SuretyBonding.aspx> to get started today.

E. ConnectVets Business Forum

ConnectVets Business Forum is a mentored on-line meeting place for Veteran entrepreneurs to interact with each other through a peer network. The Forum is a place where Veterans can post business questions, offer advice, and share business experiences. Monitored by volunteer Veteran business owners and TVC staff, the Forum is designed specifically for the growing community of Veteran entrepreneurs with topics covering everything from education to business plans to government contracting and more. To join the forum and get in touch with other Veterans in business, visit <http://www.connectvets.com/forum/>.

F. Virtual Business Incubator

The Veterans Virtual Business Incubator (VBI) created for TVC by Knowledge Industries is a complete one-stop resource for Veteran entrepreneurs starting or growing a small business. The VBI guides Veterans through business ownership with customized support tools and the ability to search by state for local business resources. This is an excellent tool if you need to search for resources that are local to you. Visit the VBI at <http://www.myvbi.org/?co=vetcorp>.

G. Virtual Business Resource Center

TVC, in partnership with SCORE, created a Veteran front-end portal to assist Veteran entrepreneurs in getting the one-on-one support they need to become successful in their business ventures. Through this direct link on TVC's website, Veterans are able to access SCORE's network of experienced and qualified mentors who can answer business questions, provide advice, and offer guidance. This program provides a key advantage for service men and women who are members of the National Guard and Reserve as they pursue their dreams for business ownership through entrepreneurship. Get connected to a SCORE mentor by visiting <http://www.connectvets.com/score/>.