

**SOUTH
DAKOTA**

SBA.GOV
U.S. Small Business Administration

SMALL BUSINESS RESOURCE

**The Small
Business
Jobs Act:
Putting
America
Back to Work**
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“I want to provide my employees with insurance I know I can afford.”

At Wellmark, we understand the demands of running a successful small business on a budget while providing the coverage your employees want.

That's why our popular set of health plans are accepted by every hospital and 99 percent of all doctors in South Dakota[†] – so your employees have the access they want on a budget you can afford.

There's a reason so many small businesses turn to Wellmark for coverage. To learn more, visit Wellmark.com or call 888-232-2200.

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2011 SOUTH DAKOTA

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Publishers of Small Business Resource

Advertising

Phone: 863-294-2812 • 800-274-2812
Fax: 863-299-3909 • www.sbaguides.com

Staff

President/CEO
Joe Jensen jjensen@reni.net

English Small Business Resource Advertising

Nicky Harvey nharvey@reni.net
Martha Theriault mtheriault@reni.net
Kenna Rogers krogers@reni.net

Production

Diane Traylor dtraylor@reni.net

SBA's Marketing Office:

The Small Business Resource Guide is published under the direction of SBA's Office of Marketing and Customer Service.

Editorial Content

marketinghq@sba.gov

Graphic Design

Gary Shellehamer gary.shellehamer@sba.gov

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FROM THE ADMINISTRATOR



Entrepreneurs and small business owners like you continue to create jobs and drive our economy forward. This resource guide has everything you need to know about the tools and resources that SBA has to offer: from getting an SBA

loan, to securing a federal contract, to using our extensive network of 14,000 SBA-affiliated counselors. Through these “3 Cs” of capital, contracts and counseling, we help thousands of people every day.

The new Small Business Jobs Act that President Obama signed a few months ago strengthens SBA’s efforts in each of these areas. For example, we permanently raised the top SBA loan sizes in our two most popular programs from \$2 million to \$5 million. Also, the Jobs Act strengthens the federal government’s ability to ensure that more small businesses can compete for federal contracts on a level playing field.

In addition, we recently overhauled www.sba.gov. Now you can find information about SBA programs more quickly than ever before. At the same time, we beefed up our social media

presence. I encourage you to check out the latest SBA news by joining our communities on Facebook, Twitter and YouTube. Through these new online tools, we are more directly engaged in a dialogue with the small business community to learn how SBA can do even more to help you grow your business.

The fact is, about two of every three jobs created in America each year come from small businesses, and more than half of working Americans own or work for a small business. With your help, we can make sure the SBA is meeting its mission and that small businesses like yours will continue to grow and lead our nation to full economic recovery, as they’ve done throughout U.S. history.

If you have any questions that aren’t answered in this guide, please go to www.sba.gov, or call or walk in to your local district office. We stand ready to help you in whatever way we can.

Warm regards,

Karen G. Mills

Administrator

Small Business Administration

About the SBA

www.sba.gov

Your Small Business Resource

Every year, the U.S. Small Business Administration and its nationwide network of partners help millions of potential and current small business owners start, grow and succeed.

Resources and programs targeting small businesses provide an advantage necessary to help small businesses effectively compete in the marketplace and strengthen the overall U.S. economy.

SBA offers help in the following areas:

- *Starting a Business*
- *Financing a Business*

- *Growing a Business*
- *Opportunities in Contracting*
- *Recovering From Disaster*
- *A Voice for Small Business in Government*

Visit SBA online at www.sba.gov for 24/7 access to small business news, information and training for entrepreneurs.

All SBA programs and services are provided on a nondiscriminatory basis.



We don't just show you the money.

We show you where to find it.



(SmallBusiness)³ shows small business owners where to get the help they need to grow and expand their business. Our primary focus is on government loans such as SBA loans, and loans for minorities, women, and military service veterans.

With over 17,000 listings across the United States, we provide you with door-to-door directions to lenders, training, and support in your neighborhood.

Join us at www.smallbusiness3.com.

(SmallBusiness)³

Financing | Training | Events

Message From The District Director

SOUTH DAKOTA

SBA Staff Listing

www.sba.gov/sd

South Dakota District Office
2329 N. Career Ave., Ste. 105
Sioux Falls, SD 57107
605-330-4243 • 605-330-4215 Fax

Arends, Michele

michele.arends@sba.gov Ext. 11
Business Development Specialist/
Public Information Officer
Rural Outreach Coordinator
Women's Business Ownership Representative
Youth Initiative

Brown, John L., II

john.l.brown@sba.gov Ext. 14
District Director

Claassen, Lisa

lisa.claassen@sba.gov Ext. 28
Business Development Specialist/Administrative Officer,
8(a) Program, Government Contracting,
HUBZone Program, Native American Affairs

Gunderson, Paul

paul.gunderson@sba.gov Ext. 39
Lender Relations Specialist
Loan Programs

Haverly, Jon

jon.haverly@sba.gov Ext. 42
Disability Program Manager, International Trade
SDDO District Counsel
SDDO Liquidation/Litigation Ombudsman

Hughes, Chuck

chuck.hughes@sba.gov Ext. 31
Deputy District Director
Loan Programs, Veterans Affairs
Faith Based and Community Initiatives

Robinson, Susan

susan.robinson@sba.gov Ext. 16
Program Support Assistant
All Programs & Services

Shaw, Jim

james.shaw@sba.gov
Senior Area Manager (AWS)
Loan Programs, Veterans Affairs, Government Contracting
Faith Based and Community Initiatives
525 University Loop
Rapid City, SD 57701
605-716-0008



Rules For Success

Like today's small businesses, large corporate success stories started with only an entrepreneur and a dream.

On behalf of the staff of the U.S. Small Business Administration's South Dakota District Office, I'm pleased to present the South Dakota Small Business Resource Guide – your one-stop information resource for small business assistance.

This guide includes a comprehensive description of SBA's financial, contracting and technical assistance programs and services as well as information on other organizations across the state committed to helping small businesses grow and develop.

Small businesses are at the heart of America's economy, driving most new innovations and creating two-thirds of the net new jobs. Entrepreneurs are the unsung heroes in national wealth creation and central to our prosperity and health as a nation. For many, personal economic empowerment through small business ownership is often the best, and only available, ticket to the American Dream. As the lead Federal agency working to create an environment where America's entrepreneurs can flourish, the SBA is here to help YOU, America's best and brightest, achieve success. And 97 percent of all businesses in South Dakota are small businesses – to paraphrase, the business of South Dakota is SMALL BUSINESS!

The New SBA has changed dramatically to meet the needs of today's entrepreneurs. The breadth and depth of our streamlined and improved products and services may surprise you, some of which are:

- Business Counseling - free, confidential, one-on-one – through our Small Business Development Center (SBDC) Network, Women's Business Center (South Dakota Center for Enterprise Opportunity) and SCORE, Counselors to America's Small Business including online counseling from 1,100 SCORE specialists across the country.
- Technical Assistance, including local Pre-Business Workshops, business seminars, and training programs on topics as varied as licensing, bookkeeping, taxes, marketing, advertising, sales, employee relations, and exporting.
- Online, 24/7 training on such topics as leadership, personnel and financial management, strategic planning, marketing, and technology via SBA's virtual campus, the Small Business

Training Network at www.sba.gov/training. You'll also find a business library, business plan templates and software and over 20,000 links to federal, state, local and legal organizations – and even customized local training such as our South Dakota Survive and Thrive Business Education Series at www.sba.gov/sd.

- Guidance on government rules and regulations as well as business law and compliance assistance through SBA's Business.gov website www.business.gov.
- Financing through our lending partners (listed inside) for startups, expansions, re-financings, and business purchases as well as contract financing and export/international trade financial assistance.
- Government Contracting assistance, including online electronic matchmaking with federal buyers, procurement training programs and guidance from government procurement experts (Procurement Center Representatives). SBA can even help with surety bonds for contractors.

Companies like Intel, FedEx, Nike, Staples, Columbia Sportswear, and Callaway Golf received SBA assistance when they were small – as did South Dakota firms like Daktronics, Minerva's, Black Hills Central Railroad (1880 Train), Sioux Steam and GenPro. Now we're ready to help you jumpstart your own American Dream.

We're proud to have been one of several offices nationwide to meet our objectives in fiscal year 2010. And we are thankful for our many resource partners for helping us to be one of SBA's top performing offices – for five consecutive years! We look to continue that level of service to South Dakota small business in 2011.

Glance through our Small Business Resource Guide, see what's inside and keep it handy for ready reference. And visit us at www.sba.gov/sd. We're ready to help when you're ready to start!

Sincerely,

John L. Brown II

South Dakota District Director
U.S. Small Business Administration

#1 Ranked SBA Office

Doing Business in South Dakota

■ The SBA helps business owners grow and expand their businesses every day.



The South Dakota business climate is Number One in the nation for entrepreneurs according to the Small Business Survival Index. Our per capita state taxes are the 49th lowest in the country.

The South Dakota entrepreneur has a competitive edge over all his/her business counterparts in the United States. The South Dakota business person enjoys:

- No corporate income tax
- No personal tax
- No personal property tax
- No business tax
- No inheritance tax

THE SOUTH DAKOTA DISTRICT OFFICE

The South Dakota District Office is responsible for the delivery of SBA's many programs and services. The District Director is John L. Brown II.

The District Office is located at 2329 N. Career Avenue, Suite 105, Sioux Falls, SD. Office hours are from 8:00 AM until 4:30 PM, Monday through Friday.

The South Dakota District Office has been recognized as one of the top SBA offices nationwide for three consecutive years. Selected as the #1 District Office nationally and regionally in 2006, the district office also received the distinction of being named the "Most Improved Office" out of the 68 offices nationwide. In 2007 the South Dakota District Office was again named a SBA Top Performing Office. And in 2008 the SDDO was one of only four offices nationwide to meet all our objectives! We're proud of our success and look to continue our high level of service to South Dakota small business.

AWARD WINNERS

2011 SOUTH DAKOTA SMALL BUSINESS WEEK WINNERS

Small Business Person of the Year

Leigh Kamstra
NATIONAL AWARD WINNER
Roma's Ristorante
Spearfish

Financial Services Champion of the Year

Lori Finnesand
Northeast South Dakota Economic Corporation (NESDEC)
Sisseton

Small Business Young Entrepreneur of the Year

Charles Pleskac
Dell Rapids Dairy Queen
Dell Rapids

Minority Small Business Champion of the Year

Sandy Burns
Project Solutions, Inc.
Rapid City

Family-Owned Small Business of the Year

The Sejnoha Family
REGIONAL AWARD WINNER
Catering by Marlin's Inc./
Hungry's Restaurant, Inc.
Sioux Falls

Women in Business Champion of the Year

Dr. Priscilla Romkema
Black Hills State University
Spearfish

NATIONAL AWARD WINNER

South Dakota 2011 Small Business Person of the Year

Leigh Kamstra — Roma's Ristorante, Spearfish

For 37 years an old, stone, dilapidated building stood empty in Spearfish, South Dakota. But it caught the eye of a college student who was then attending Black Hills State University. Leigh Kamstra didn't know exactly at the time how or why, but she knew somehow her future would be in that building. It would be several years before she would have her answer.

With a head for numbers and bookkeeping abilities, Leigh earned her degree in business and a minor in computer science. After graduation, she spent 10 years in the banking industry in California and Denver. Then one day in 1994 after a very stressful day at the office, Leigh saw a commercial for a culinary arts degree program offered through the

Colorado Institute of Art. It was like a light bulb went off in her head and this businesswoman made a spontaneous decision – she was going to chuck her successful banking career and try a new occupation. After all, she always loved to cook and bake (even though she will admit she was never good at it) and found it to be a great stress reliever. Once Leigh made up her mind, there was no turning back.

Leigh started attending the 18-month culinary arts program which was very intense. Out of a class of 125 students, only 42 graduated. Leigh loved every minute of it and finished first in her class. She graduated with a 4.0 grade point average, three gold medals and two silvers. After graduation, Leigh started her cooking career in Colorado working in head chef positions in Boulder and Cherry Creek.

At Christmastime in 1999, Leigh was home back in Spearfish visiting her family and decided to check on her favorite building. It was still there and still empty, but now there was a

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SBA AWARDS

NOMINATE YOUR FAVORITE SMALL BUSINESS

Every year in recognition of the small business community's contributions to the American economy and society, one week is designated as National Small Business Week. You can be a part of this celebration by nominating an outstanding small business owner or small business advocate in your community.

Winners are selected at the state level and then go on to compete regionally and nationally for the nation's top small business award — the National Small Business Award. The national award is presented to the national winner at the White House during the celebration of small business week usually held in late Spring.

The nomination process begins in September for the next year. For more information or to receive a nomination package, contact Michele at the South Dakota District Office at 605-330-4243, ext. 11.

INTRODUCTION

GETTING STARTED

The SBA Can Help You Start and Expand Your Business



Every year, the U.S. Small Business Administration and its nationwide network of resource partners help millions of potential and existing small business owners start, grow and succeed.

Whether your target market is global or just your neighborhood, the SBA and its resource partners can help at every stage of turning your entrepreneurial dream into a thriving business.

If you're just starting, the SBA and its resources can help you with loans and business management skills. If you're already in business, you can use the SBA's resources to help manage and expand your business, obtain government contracts, recover from disaster, find foreign markets, and make your voice heard in the federal government.

You can access SBA information online 24 hours a day at www.sba.gov or visit one of our local offices for assistance.

SBA's Online Training

SBA provides small businesses with free online courses, workshops, learning tools and business-readiness assessments.

Key Features of the Small Business Training Network:

Training is available anytime and anywhere—all you need is a computer with Internet access.

- More than 20 free online courses and workshops available.

- Online, interactive assessment tools are featured and used to direct clients to appropriate training.

Course topics include a financial primer keyed around SBA's loan-guarantee programs, a course on exporting, and courses for veterans and women seeking federal contracting opportunities, as well as an online library of business publications and articles.

Find the SBTN at www.sba.gov/training.

Where To Go To Get Started

Our resources include the SBA's district offices serving every state and territory, over 350 chapters of SCORE – Counselors to America's Small Businesses, approximately 900 Small Business Development Centers, approximately 110 Women's Business Centers and 16 Veterans Business Outreach Centers located across the country. To find your local district office or SBA resource partner, visit www.sba.gov/sba-direct.

TESTIMONIAL

Dear SCORE Counselor,

"Thank you so much for meeting me. I really appreciate your willingness to learn about our hopes and dreams, listen and understand. You gave awesome advice and I appreciate it more than you can know. Thank you for what you do!"

Kristen Daggett

These professionals can also help with writing a formal business plan, locating sources of financial assistance, managing and expanding your business, finding opportunities to sell your goods or services to the government, and recovering from disaster.

SBA'S RESOURCE PARTNERS

SCORE

SCORE is a national network of more than 12,000 entrepreneurs, business leaders and executives who volunteer as mentors to America's small business. SCORE helps entrepreneurs start businesses, grow companies and create jobs in local communities.

SCORE matches you with a mentor whose personality and skills are a good fit for your business needs. Whether you are a start-up business or growing company, you can meet with a mentor for free and confidential advice.

SCORE mentors are part of your local community. The volunteer experts understand local business licensing rules, economic conditions and lending standards. You will find a SCORE office

ON THE UPSIDE

It's true, there are a lot of reasons not to start your own business. But for the right person, the advantages of business ownership far outweigh the risks.

- You get to be your own boss.
- Hard work and long hours directly benefit you, rather than increasing profits for someone else.
- A new venture is exciting.
- Earnings and growth potential are unlimited.
- Running a business will provide endless variety, challenges and opportunities to learn.

in your community and often a location at your local Chamber of Commerce, bank or SBA office.

SCORE mentoring is available at over 350 offices nationwide. SCORE offers local small business workshops at modest fees on popular topics such as increasing sales, managing cash flow and marketing your business.

SCORE has helped more than 8.5 million entrepreneurs nationwide. You can count on SCORE as a trusted resource to offer in-depth mentoring, sound advice and guidance to tools and resources that can help you succeed as a business owner.

For 24/7 access to advice and online webinars on topics such as starting, growing, marketing and e-commerce for small business, visit SCORE online. With expertise in more than 600 skill areas, you can find a SCORE mentor online at www.score.org or at one of SCORE's offices. Call 1-800-634-0245 for the office nearest you.

Aberdeen SCORE	605-626-2565
Rapid City SCORE	605-394-1707
Sioux Falls SCORE	605-330-4231
Watertown SCORE	605-882-5115

SMALL BUSINESS DEVELOPMENT CENTERS

The Small Business Development Center program has been vital to SBA's entrepreneurial outreach for more than 25 years. It has become one of the largest professional small business management and technical assistance networks in the nation. With nearly 900 locations across the country, SBDCs offer existing and future entrepreneurs free one-on-one expert business advice and low-cost trainings. All counseling and training sessions are conducted by qualified small business professionals and many are offered online.

A nationwide study of the impact of the SBDC program highlights the results of SBDC assistance. The study illustrates the significance of the SBDC program's focus on establishing long-term counseling relationships with clients. Of the clients surveyed, more than 80 percent reported that the information they received from their SBDC counselor was valuable. Similarly, more than 50 percent reported that SBDC assistance was useful with the decision to start a business. More than 40 percent of long-term clients, those receiving 5 hours or more of counseling, reported an increase in sales and 38 percent of long term clients reported an increase in profit margins.

SBDC counseling generally consists of assistance with business plans, access to capital, franchising, manufacturing, international trade, high-tech endeavors, contracting, energy efficiency, marketing, technology and other growth strategies. SBDC training is geared toward the needs of the local business community, focusing on the fundamentals required to start, purchase, operate and grow a small business.

Particular emphasis in the SBDC program includes green business technology, disaster recovery and preparedness, importing and exporting, electronic commerce, technology transfer and regulatory compliance. A number of centers in SBDC network have specialized programs dedicated to technology assistance and/or international trade. The SBDC programs also promote green buildings and green job growth, provide assistance to veterans and communities affected by defense cutbacks, and reach out to communities that have been negatively affected by industry cutbacks, closures or natural disasters.

During the past quarter century, through a unique mix of federal funding along with matching state and private sector resources, the program has increased its return on investment. Through federal grants, the SBDCs in every state and territory provide the foundation for the economic growth of small businesses. These small businesses in turn advance local and regional economic development through the generation of business revenues, job creation and job retention. In fiscal 2010, SBDC business advisors helped more than 13,600 entrepreneurs start new businesses or roughly 37 new business starts per day.

The SBDC network provided counseling services to over 107,000, now entrepreneurs, approximately 101,000 existing businesses and training services to approximately 380,000 clients in fiscal 2010.

In fiscal 2010, SBDC clients acquired loans, venture capital and the infusion of equity totaling \$3.8 billion, an increase over the \$3.6 billion SBDC clients obtained in fiscal 2008 and in 2009 combined. Of the \$3.8 billion in capital obtained by SBDC clients, over 19% took the form of SBA guaranteed loans with 81% in capital acquired from banks and conventional lenders as well as angel investors and venture capitalists.

For information on the SBDC program, visit www.sba.gov/sbdc.

South Dakota Small Business Development Centers:

Aberdeen SBDC

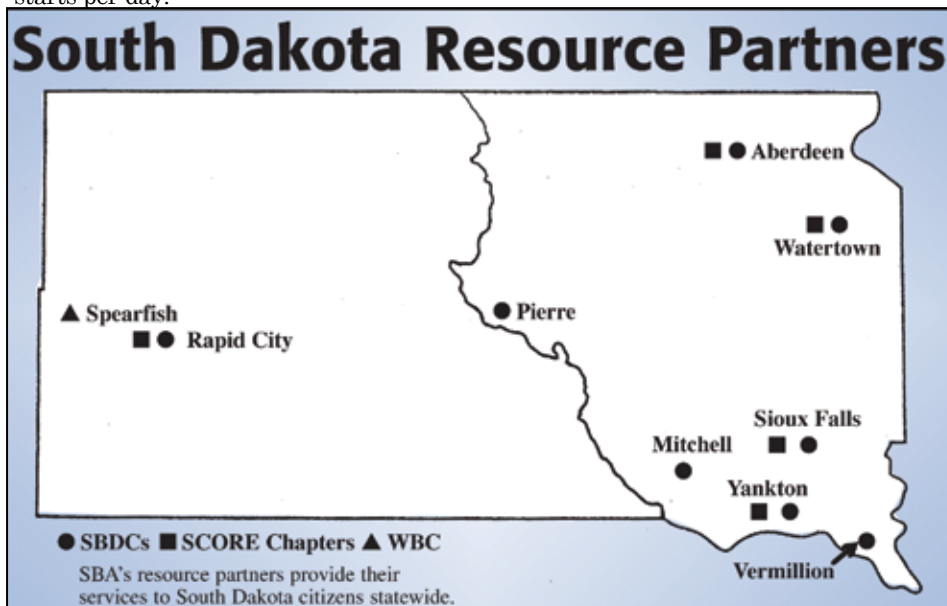
416 N. Production St.
Aberdeen, SD 57401
605-626-2565

The Aberdeen office serves the counties of Beadle, Brown, Campbell, Day, Edmunds, Faulk, Hand, Marshall, McPherson, Potter, Roberts, Spink and Walworth. Routine on-site visits are made to the cities of Gettysburg, Huron, Mobridge, Sisseton and Webster.

Pierre SBDC

3431 Airport Rd, Ste. 3
Pierre, SD 57501
605-773-2783

The Pierre office serves central South Dakota including the counties of Buffalo, Corson, Dewey, Haakon, Hughes, Hyde, Jones, Mellette, Perkins Shannon, Stanley, Sully, Todd and Ziebach. On-site visits are made throughout the fourteen-county area by appointment.



Rapid City SBDC

525 University Loop
Rapid City, SD 57701
605-394-5331

The Rapid City office serves western South Dakota including the counties of Bennett, Butte, Custer, Fall River, Harding, Jackson, Lawrence, Meade and Pennington. Routine on-site visits are made to Belle Fourche, Custer, Hot Springs, Lead, Spearfish and Sturgis.

Sioux Falls/Vermillion SBDC

2329 N. Career Ave., Ste. 106
Sioux Falls, SD 57107
605-367-5757

Satellite Office located in Vermillion
414 E Clark St.
Vermillion, SD 57069
605-677-5287

The Sioux Falls/Vermillion offices serve southeast South Dakota including the counties of Clay, Lincoln, McCook, Minnehaha, Turner and Union. On-site visits are made throughout the area depending on counseling requests. The state office is also located in Vermillion

Watertown/Brookings SBDC

124 1st Ave. N.W. /P.O. Box 1207
Watertown, SD 57201
605-882-5115

Satellite Office located in Brookings
2301 Research Pkwy., Ste. 218
Brookings, SD 57006
605-697-5015
The Watertown/Brookings offices serve the counties of Brookings, Clark, Codington, Deuel, Grant, Hamlin, Kingsbury, Lake, Miner and Moody. On-site visits are made throughout the area depending on counseling requests.

Yankton/Mitchell SBDC

1808 Summit Ave. /P.O. Box 687
Yankton, SD 57078
605-665-0751

Satellite Office located in Mitchell
Dakota Wesleyan University
Kelly Center for Entrepreneurship
Mitchell, SD 57301
By appointment only: 605-665-0751
The Yankton/Mitchell offices serve the counties of Aurora, Bon Homme, Brule, Charles Mix, Davison, Douglas, Gregory, Hanson, Hutchinson, Jerauld, Lyman, Sanborn, Tripp and Yankton.

provide business training, counseling, mentoring and other assistance geared toward women, particularly those who are socially and economically disadvantaged. While the services are focused on women, approximately 30% of the WBC clients are men. WBCs are located in nearly every state and U.S. territory and are partially funded through a cooperative agreement with the SBA.

To meet the needs of women entrepreneurs, the WBCs offer services at convenient times and locations, including weekends. Many WBCs are located at non-profit host organizations that offer a wide variety of services in addition to the services provided by the WBC. Many of the WBCs also offer training and counseling and provide materials in different languages in order to meet the diverse needs of the communities they serve.

In fiscal year 2010, the WBC program counseled and trained more than 160,000 clients, creating local economic growth and vitality.

WBCs often deliver their services through long term training or group counseling, both of which have shown to be effective. WBC training courses are often free or are offered at a small fee. Some centers will also offer scholarships based on the client's needs

While most WBCs are physically located in one designated location, a number of WBCs also provide courses and counseling via the Internet, mobile classrooms and satellite locations.

To find the nearest SBA WBC or to learn more about SBA programs and services, visit www.sba.gov/women.

WOMEN'S BUSINESS CENTERS

The SBA's Women Business Center program is a network of approximately 110 community-based centers which

WBC SUCCESS STORY

HAUS OF KAFFEE

After nine years of experience in the coffee world, Jamie Gilcrease intended on opening a coffee kiosk in Lead, SD. Her plans quickly shifted gears when the owner of Haus Of Kaffee approached her one day and asked if Jamie would be interested in buying the place. Jamie knew that adding food to her coffee experience would be a challenge, but she was up for it! She worked alongside the previous owner to learn everything there was to learn about the shop. They discussed changes and Jamie knew that marketing would be huge. "We broadened our market to attract high school students over lunch and after school," Jamie said. "We are also open 6 am to 4 pm now, which is a lot of work considering I'm here for those hours, then run to grab ingredients or to Main Street during the summer for extra marketing."

In the ten months since Jamie took over the shop and renamed the place to Lotus Up Espresso in June of 2010, she has tripled her sales and quadrupled her coffee sales. She is proud to say that she does her own research to find the best prices and products out there to

increase profits. "Products are different here than in Missoula, MO and Eatonville, WA where I previously worked with coffee." Her success can also be linked to her consistency in hours and taking advice and feedback from her best critiques, her customers.

Jamie and her family moved to Lead, SD in January 2010 to be close to her husband's relatives. Before buying Lotus Up Espresso, Jamie took guidance from the South Dakota Center for Enterprise Opportunity (SD CEO). She attended various business training sessions and met with Helen Merriman, SD CEO Director to review her business plan, her expansion ideas and to help prioritize her needs. Jamie was also selected by the SD CEO to participate in a "real life experience" with the marketing students in the BHSU Marketing Department. The students met with Jamie learn about her business, marketing needs, and ultimately designed a marketing plan for Lotus Up Espresso. Jamie expressed, "Working with the SD CEO and BHSU helped me with marketing and fresh ideas for this area".

SD Center for Enterprise Opportunity (SD CEO) – Women's Business Center

The SD Center for Enterprise Opportunity (SD CEO) at Black Hills State University provides training and business assistance to current and prospective entrepreneurs, from start up to expansion, to foster economic development in S.D. Seminars, workshops, and conferences based on identified training needs are held throughout the state. Additionally, the SD CEO provides initial one on one counseling. While services are available to all those interested in entrepreneurship, there is a special emphasis on women, women veterans, Native Americans, the socially and/or economically disadvantaged, and youth entrepreneurs. The SD CEO is located

in Woodburn Hall on the BHSU campus in Spearfish, S.D. It is funded in part through a cooperative agreement with the U.S. SBA, and is part of a network of more than 110 centers nationwide established through the SBA's Office of Women's Business Ownership. Since its opening in 2009, the SD CEO has served over 1,000 individuals and continues to work closely with communities across the state to enhance business management and leadership skills and contribute to economic development for a brighter future for our state.

For more information call 605-642-6435, email Helen.Merriman@BHSU.edu or visit our website at: www.BHSU.edu/SDCEO.

MICROLOAN PROGRAM INTERMEDIARIES

The Microloan program is operated through a network of approximately 160 intermediaries nationwide. It provides business based training and technical assistance to very small "microbusinesses" – 10 employees or fewer – that are interested in starting or growing their businesses. Such training and technical assistance includes general business education, business planning training, industry-specific training, and other support for new and growing microbusinesses. Microloan program intermediaries also provide small business loans of up to \$50,000. The program is available to women, low-income, minority, and veteran entrepreneurs and others interested in starting a microbusiness.

ARE YOU RIGHT FOR SMALL BUSINESS OWNERSHIP?

Most new business owners who succeed have planned for every phase of their success. Thomas Edison, the great American inventor, once said, "Genius is 1 percent inspiration and 99 percent perspiration." That same philosophy also applies to starting a business.

First, you'll need to generate a little bit of perspiration deciding whether you're the right type of person to start your own business.

IS ENTREPRENEURSHIP FOR YOU?

There is simply no way to eliminate all the risks associated with starting a small business, but you can improve your chances of success with good planning, preparation, and insight.

Start by evaluating your strengths and weaknesses as a potential owner and manager of a small business. Carefully consider each of the following questions:

- **Are you a self-starter?** It will be entirely up to you to develop projects, organize your time, and follow through on details.
- **How well do you get along with different personalities?** Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, employees, and professionals such as lawyers, accountants, or consultants. Can you deal with a demanding client, an unreliable vendor, or a cranky receptionist if your business interests demand it?
- **How good are you at making decisions?** Small business owners are required to make decisions constantly – often quickly, independently, and under pressure.
- **Do you have the physical and emotional stamina to run a business?** Business ownership can be exciting, but it's also a lot of work. Can you face six or seven 12-hour workdays every week?
- **How well do you plan and organize?** Research indicates that poor planning is responsible for most business failures. Good organization — of financials, inventory, schedules, and production — can help you avoid many pitfalls.
- **Is your drive strong enough?** Running a business can wear you down emotionally. Some business owners burn out quickly from having to carry all the responsibility for the success of their business on their own shoulders. Strong motivation will help you survive slowdowns and periods of burnout.
- **How will the business affect your family?** The first few years of business start-up can be hard on family life. It's important for family members to know what to expect and for you to be able to trust that they will support you during this time. There also may be financial difficulties until the business becomes profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk.

Once you've answered those questions, you should consider what type of business you want to start. Businesses can include franchises, at-home businesses, online businesses, brick-and-mortar stores or any combination of those.

TESTIMONIAL

Working with the SD CEO has been a very valuable experience. From the first time Helen and I met to discuss my existing business, to the training sessions I've attended, to increasing my business knowledge, to the Women In Networking meetings, I always find ways to improve my business, meet new people, find sales leads and be inspired. I am just so pleased with the assistance provided by the SD CEO and am shouting the praises of this entire organization – encouraging others I talk to just go and check it out!

Barb Koster
Dakota Tree Spraying, LLC and Lenores

FRANCHISING

There are more than 3,000 business franchises. The challenge is to decide on one that both interests you and is a good investment. Many franchising experts suggest that you comparison shop by looking at multiple franchise opportunities before deciding on the one that's right for you.

Some of the things you should look at when evaluating a franchise: historical profitability, effective financial management and other controls, a good image, integrity and commitment, and a successful industry.

In the simplest form of franchising, while you own the business, its operation is governed by the terms of the franchise agreement. For many, this is the chief benefit for franchising. You are able to capitalize on a business format, trade name, trademark and/or support system provided by the franchisor. But you operate as an independent contractor with the ability to make a profit or sustain a loss commensurate with your ownership.

If you are concerned about starting an independent business venture, then franchising may be an option for you. Remember that hard work, dedication and sacrifice are key elements in the success of any business venture, including a franchise.

For more information visit www.sba.gov/franchise.

HOME-BASED BUSINESSES

Going to work used to mean traveling from home to a plant, store or office. Today, many people do some or all their work at home.

Getting Started

Before diving headfirst into a home-based business, you must know why you are doing it. To succeed, your business must be based on something greater than a desire to be your own boss. You must plan and make improvements and adjustments along the road.

Working under the same roof where your family lives may not prove to be as easy as it seems. One suggestion is to set up a separate office in your home to create a professional environment.

Ask yourself these questions:

- Can I switch from home responsibilities to business work easily?
- Do I have the self-discipline to maintain schedules while at home?
- Can I deal with the isolation of working from home?
- Am I a self-starter?

Legal Requirements

A home-based business is subject to many of the same laws and regulations affecting other businesses.

Some general areas include:

- **Zoning regulations.** If your business operates in violation of them, you could be fined or shut down.
- **Product restrictions.** Certain products cannot be produced in the home. Most states outlaw home production of fireworks, drugs, poisons, explosives, sanitary or medical products and toys. Some states also prohibit home-based businesses from making food, drink or clothing.

Be sure to consult an attorney and your local and state departments of state, labor and health to find out which laws and regulations will affect your business. Additionally, check on registration and accounting requirements needed to open your home-based business. You may need a work certificate or license from the state. Your business name may need to be registered with the state. A separate business telephone and bank account are good business practices.

Also remember, if you have employees you are responsible for withholding income and social-security taxes, and for complying with minimum wage and employee health and safety laws.

If you're convinced that opening a home-based business is for you, it's time to create your business plan. The SBA and its resource partners, such as SCORE, SBDCs, VBOCs and WBCs can help make the process easier.

WRITING A BUSINESS PLAN

After you've thought about what type of business you want, the next step is to develop a business plan. Think of the business plan as a roadmap with milestones for the business. It begins as a pre-assessment tool to determine profitability and market share, then expands as an in-business assessment tool to determine success, obtain financing and determine repayment ability, among other factors.

Creating a comprehensive business plan can be a long process, and you need good advice. The SBA and its resource partners, including Small Business Development Centers, Women's Business Centers, Veterans Business Outreach Centers, and SCORE, have the expertise to help you craft a winning business plan. SBA also offers online templates to get you started.

In general, a good business plan contains:

Introduction

- Give a detailed description of the business and its goals.
- Discuss ownership of the business and its legal structure.
- List the skills and experience you bring to the business.
- Discuss the advantages you and your business have over competitors.

Marketing

- Discuss the products and services your company will offer.
- Identify customer demand for your products and services.
- Identify your market, its size and locations.
- Explain how your products and services will be advertised and marketed.
- Explain your pricing strategy.

Financial Management

- Develop an expected return on investment and monthly cash flow for the first year.
- Provide projected income statements, and balance sheets for a two-year period.
- Discuss your break-even point.
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting records and how they will be kept.
- Provide "what if" statements addressing alternative approaches to potential problems.

Operations

- Explain how the business will be managed day-to-day.
- Discuss hiring and personnel procedures.

- Discuss insurance, lease or rent agreements, and issues pertinent to your business.
- Account for the equipment necessary to produce your goods or services.
- Account for production and delivery of products and services.

Concluding Statement

Summarize your business goals and objectives and express your commitment to the success of your business. Once you have completed your business plan, review it with a friend or business associate and professional business counselor like SCORE, WBC or SBDC representatives, SBA district office business development specialists or veterans business development specialists.

Remember, the business plan is a flexible document that should change as your business grows.

REACHING UNDERSERVED COMMUNITIES Women Business Owners

Women entrepreneurs are changing the face of America's economy. In the 1970s, women owned less than five percent of the nation's businesses. Today, they are majority owners of about a third of the nation's small businesses and are at least equal owners of about half of all small businesses. SBA serves women entrepreneurs nationwide through its various programs and services, some of which are designed especially for women.

The SBA's Office of Women's Business Ownership serves as an advocate for women-owned business. OWBO oversees a nationwide network of 110 women's business centers that provide business training, counseling and mentoring geared specifically to women, especially those who are socially and economically disadvantaged. The program is a public-private partnership with locally-based nonprofits and each tailors its services to meet the needs of its community. Women's Business Centers serve a wide diversity of geographic areas, population densities, and economic environments, including urban, suburban, and rural. Local economies vary from depressed to thriving, and range from metropolitan areas to entire states. Each Women's Business Center tailors its services to the needs of its individual community, but all offer a variety of innovative programs, often including courses in different languages. They provide

training in finance, management, marketing, and the Internet, as well as access to all of the SBA's financial and procurement assistance programs.

CENTER FOR FAITH-BASED AND COMMUNITY PARTNERSHIPS (CFBCP)

Faith-based and neighborhood organizations know their communities; and they have earned the trust of the people in their communities. Because of their credibility, they are uniquely positioned to build awareness of programs that encourage entrepreneurship, economic growth and job creation.

SBA is committed to reaching out to faith based and community organizations that are eligible to participate in the agency's programs by informing their congregants, members and neighbors about SBA's programs. In particular, many faith-based and community non-profit organizations can provide a local financing option for entrepreneurs by becoming SBA Microloan Intermediaries. An SBA

Microloan Intermediary often acts as a bank for entrepreneurs and small businesses that might otherwise be able to find access to capital.

VETERANS AND RESERVISTS BUSINESS DEVELOPMENT

The SBA offers a variety of services to American veterans who have made or are seeking to make the transition from service member to small business owner. Each of SBA's 68 district offices has designated a veteran's business development officer to help guide veterans, Reserve Component members and transitioning service members who want to succeed in entrepreneurship.

Sixteen Veterans Business Outreach Centers located in California, Florida, Guam, Louisiana, Massachusetts, Montana, Michigan, Missouri, New Jersey, New Mexico, New York, North Carolina, North Dakota, Pennsylvania, Texas, and Washington provide online and in-person entrepreneurial development services for veterans and

reservists such as business training, counseling and mentoring, pre-business plan workshops, feasibility analysis, and referrals to additional small business resources.

To learn more about the Veterans Business Outreach program or find the nearest SBA VBOC, visit the SBA Web site at www.sba.gov/vets.

SBA also partners with the Entrepreneurship Boot Camp for Veterans With Disabilities at Syracuse University, University of Connecticut, Florida State University, Texas A&M University, UCLA, Purdue and Louisiana State University to prepare service-disabled veterans for business ownership. SBA has also recently developed two partnerships which target women veteran-entrepreneurs (V-WISE) and family members of Reserve Component members of the military (Operation Endure and Grow).

SBDCs, SCORE and some WBCs also provide targeted management assistance to veterans who are current or prospective small business owners.

Experience the Difference

- > Commercial Real Estate
- > Lines of Credit
- > Equipment Loans

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FEDERAL CREDIT UNION
A MEMBER-OWNED, NOT-FOR-PROFIT COOPERATIVE

718.1818

For more BHFCU Business Lending information visit blackhillsfcu.org

Many SBDCs have special programs for veterans and SCORE also provides resources and counseling services online at www.score.org.

The SBA offers special assistance for small businesses owned by activated Reserve and National Guard members. Any self-employed Reserve or Guard member with an existing SBA loan can request from their SBA lender or SBA district office, loan payment deferrals, interest rate reductions and other relief after they receive their activation orders.

Additionally, the SBA offers special low-interest-rate financing to small businesses when an owner or essential employee is called to active duty. The Military Reservist Economic Injury Disaster Loan Program provides loans up to \$2 million to eligible small businesses to cover operating costs that cannot be met due to the loss of an essential employee called to active duty in the Reserves or National Guard.

To ensure that veterans, service-disabled veterans and Reserve and National Guard member entrepreneurs receive special consideration in all its entrepreneurial programs and resources, the SBA has established an Office of Veterans Business Development. OVBD develops and distributes informational materials for entrepreneurship such as the Veterans Business Resource Guide, VETGazette, and Getting Veterans Back to Work.

For more information or special assistance with government contracting, including programs for veterans and service-disabled veterans, please check the Contracting Opportunities section of this publication.

SBA's special financing program targeted to the military community, Patriot Express has new and enhanced programs and services for veterans and members of the active and reserve military community (including spouses) wanting to establish or expand small businesses. See the Financing section for more information on Patriot Express.

Veterans Business Resource Centers

Veterans Vocational Rehabilitation

321 Kansas City St.
Rapid City, SD 57701
605-394-5070

Vet Center

621 6th St., STE. 101
Rapid City, SD 57701
605-348-0077

Vet Center

601 S. Cliff Ave., Ste. C
Sioux Falls, SD 57104
605-330-4552

Family Support Center

Ellsworth Air Force Base
1000 Ellsworth St., Ste. 1500
Ellsworth Air Force Base, SD 57706
605-385-6377

Department of Veterans Affairs

500 E. Capitol
Pierre, SD 57501
605-773-3269

Pine Ridge Vet Center Outstation

105 E. Hwy. 18/P.O. Box 910
Martin, SD 57747
605-685-1300

South Dakota Export Council

The South Dakota District Export Council is a trade assistance network that promotes increased export trade for small businesses through counseling, identification of export financing resources, and awareness of opportunities and issues involving international trade. For more information on the DEC, contact Cinnamon King at:

Siouxland Export Assistance Center

Social Science Bldg., Rm. 29A
Augustana College
Sioux Falls, SD 57197
605-330-4264

South Dakota International Business Institute (SDIBI)

The South Dakota International Business Institute (SDIBI) is a nonprofit state organization and is located on Northern State University Campus in Aberdeen. Its mission is to promote the international business and development for the State of South Dakota. The SDIBI has developed close working relationships with many government and trade organizations. Contact:

South Dakota International Business Institute

1200 S. Jay St.
Aberdeen, SD
605-626-2508

Great Plains International Trade Association

The newly created non-profit 501(C)(6) "Great Plains International Trade Association" ("G.P.I.T.A.") serves as the "clearing-house" for South Dakota's and its surrounding regions' importing and

exporting businesses when they have problems and issues with regards to international freight. It directs them to logistics specialists, international banks and international attorneys, international freight insurance firms, etc.

GPITA serves as: a resource center, a provider of networking, an advocate, a provider of education through its conducting of forums, "roll-up-the-sleeves" work-shops, guest speakers, etc., a provider of current information, a host to domestic and foreign dignitaries and a provider an electronic newsletter consisting of international freight information i.e. U.S. Customs compliance, foreign countries' rules and regulations, etc..

GPITA's ultimate goals are to: a) continue to seek reduced domestic/international freight rates, b) continue to seek reduced domestic/international freight transit times and c) create better equipment efficiencies i.e. coordinate export backhauls for ocean containerized products so that these containers can be trucked back full to Minneapolis and Omaha.

For more information contact:

Great Plains International Trade Association

Rock Nelson, Executive Director
1 W. Weather Ln., Ste. 400
Sioux Falls, SD 57104
605-338-3424 or 605-941-6696
605-338-3423 Fax
rock@siouxfalls.com
www.internationalportinfo.com

U.S. Customs & Border Protection – Port #3502 – Sioux Falls, South Dakota

As one of our nation's youngest Ports, it was established by the U.S. Congress and approved by the U.S. Department of Treasury on December 1st, 1995. Its two full-time officers recognize the need of today's market place as our region's importers can "pre-file" while their freight is in transit and upon clearance it can be delivered directly to them when no inspections are required.

Local as well as regional importers have begun to take advantage of the many benefits that are offered by clearing through our Port i.e. local control, personalized service, reliable on-time deliveries, congestion-free access, documents are processed fast and it can usually save importers time

and money. Inspections, if necessary, are conducted on a timely basis at its Container Exam Station and Foreign Trade Zone, any U.S. Customs bonded carrier's terminal and at the importer's site within the Port's limits on a case by case basis. U.S. Customs bonded trucking firms provide over-night service to Sioux Falls from Minneapolis, Omaha and Chicago.

Due to its speed, efficiency and well developed infrastructure the Sioux Falls U.S. Customs Port of Entry continues to grow. Our Port also eliminates couriering fees by accepting faxed readable copies. For more information contact:

Great Plains International Trade Association

Rock Nelson, Executive Director
1 W. Weather Ln., Ste. 400
Sioux Falls, SD 57104
605-338-3424 or 605-941-6696
605-338-3423 Fax
rock@siouxfalls.com
www.internationalportinfo.com

Oglala Oyate Woitancan Empowerment Zone

The Oglala Oyate Woitancan Empowerment Zone, a mobilizer, acts as a broker between the community and those sources (including local, state government, private tribal and lending institutions), selecting and introducing parties who may not already know each other, and assisting in negotiations and communications between those parties. OOW/EZ provides funding to projects that fall within one of the EZ benchmarks and if they do not fall under a specific benchmark OOW/EZ will then act as a broker to the applicant. For more information, contact:

Oglala Oyate Woitancan Empowerment Zone

P.O. Box 655
Kyle, SD 57752
605-455-1570
South Dakota Tribal Reservations

Cheyenne River Sioux Tribe

P.O. Box 590
Eagle Butte, SD 57625-0590
605-964-4155

Crow Creek Sioux Tribe

P.O. Box 658
Ft. Thompson, SD 57339-0050
605-245-2221

Flandreau Santee Sioux Tribe

P.O. Box 283
Flandreau, SD 57028-0283
605-997-3891

Lower Brule Sioux Tribe

P.O. Box 187
Lower Brule, SD 57548-0187
605-473-5561

Oglala Sioux Tribe

P.O. Box 2070
Pine Ridge, SD 57770-2070
605-867-5821

Rosebud Sioux Tribe

P.O. Box 430
Rosebud, SD 57570-0430
605-747-2381

Sisseton-Wahpeton Sioux Tribe

P.O. Box 509
Agency Village, SD 57262-0509
605-698-3911

Standing Rock Sioux Tribe

P.O. Box D
Ft. Yates, ND 58538-0522
701-854-7202

Yankton Sioux Tribe

P.O. Box 248
Marty, SD 57361-0248
605-384-3804

NATIVE AMERICAN BUSINESS DEVELOPMENT

The Office of Native American Affairs (ONAA) ensures American Indians, Alaska Natives and Native Hawaiians seeking to create, develop and expand small businesses have full access to the necessary business development and expansion tools available through the agency's entrepreneurial development, lending, and contracting programs. ONAA provides a network of training and counseling services and engages in numerous outreach activities such as tribal consultations, development and distribution of educational materials, attendance and participation in economic development events and assisting these small businesses with SBA programs.

More information is available at www.sba.gov/naa.

SCORE SUCCESS STORY

OH MY CUPCAKES!

When Melissa Johnson, owner and operator of Oh My Cupcakes! in Sioux Falls, began telling people her dream of owning a cupcake shop, people would ask, "cupcakes? Just cupcakes?" Yes, just cupcakes. After spending hours researching cupcake shops in other states and other cities, Melissa did one more thing to find out if her dream could become a reality. She attended the Sioux Falls SCORE Chapter's "How to Really Start Your Own Business" workshop where she learned how to put together a business plan, what licenses and permits were needed and how to understand the sometimes confusing tax laws. The workshop was also a great start in helping her meet and form a relationship with a business banker who understood and cared about her needs as a new business owner. Johnson admits the workshop was very useful, but working one-on-one with a SCORE mentor was a great next step.

"Working with Truman (Phelan). . . he asked me some tough questions and wasn't afraid to lay it all out there in black and white terms. Launching a new business . . . there's a lot to think about and he helped

me see what the realities would be," said Melissa.

Since that workshop and meeting with a SCORE counselor, Melissa opened her store on April 1, 2010, and demand for her cupcakes quickly grew. Oh My Cupcakes! is open six days a week and offers over 30 flavors baked fresh daily.

The shop closes at 2:00 p.m. each day, but doesn't mean you can't still enjoy a cupcake. Knowing that not everyone can get to her shop, Melissa worked hard to establish outlets and taking it even a step further, she launched an e-commerce website in January of 2011 so people across the nation can order their favorite cupcake flavor and have it sent directly to their doorstep.

Melissa still considers Truman one of her business advisors and loves to have conversations with him and others from SCORE. Melissa adds, "it's all about relationships and with a SCORE mentor, they keep the conversation going over months and over the course of your business growth."

REGULATIONS

KNOWING THE RULES

Paying Attention to Detail Can Save Time and Money



Even if you are running a small home-based business, you will have to comply with many of the local, state, and federal regulations. Avoid the temptation to ignore regulatory details. Doing so may avert some red tape in the short term, but could be an obstacle as your business grows. Taking the time to research the applicable regulations is as important as knowing your market. Bear in mind that regulations vary by industry. If you're in the food-service business, for example, you will have to deal with the health department. If you use chemical solvents, you will have environmental compliances to meet. Carefully investigate the regulations that affect your industry. Being out of compliance could leave you unprotected legally, lead to expensive penalties and jeopardize your business.

BUSINESS ORGANIZATION

There are many forms of legal structure you may choose for your business. Each legal structure offers organizational options with different tax and liability issues. We suggest you research each legal structure thoroughly and consult a tax accountant and/or attorney prior to making your decision.

Secretary of State's Office

Capitol Bldg.
500 E. Capitol Ave., Ste. 204
Pierre, SD 57501
605-773-4845
www.sdsos.gov

CHOOSING YOUR BUSINESS STRUCTURE

You may operate your business under one of many organizational structures. The most common organizational structures are sole proprietorships, general and limited partnerships, "C" and "S" corporations and limited liability companies.

Each structure offers unique tax and liability benefits. If you're uncertain which business format is right for you, you may want to discuss options with a business counselor or attorney.

Sole Proprietorship

One person operating a business as an individual is a sole proprietorship. It's the most common form of business organization. Profits are taxed as income to the owner personally. The personal tax rate is usually lower than the corporate tax rate. The owner has complete control of the business, but faces unlimited liability for its debts. There is very little government regulation or reporting required with this business structure.

General Partnership

A partnership exists when two or more persons join together in the operation and management of a business. Partnerships are subject to relatively little regulation and are fairly easy to establish. A formal partnership agreement is recommended to address potential conflicts such as: who will be

responsible for performing each task; what, if any, consultation is needed between partners before major decisions, and what happens when a partner dies. Under a general partnership each partner is liable for all debts of the business. Profits are taxed as income to the partners based on their ownership percentage.

Limited Partnership

Like a general partnership, a limited partnership is established by an agreement between two or more persons. However, there are two types of partners.

- A general partner has greater control in some aspects of the partnership. For example, only a general partner can decide to dissolve the partnership. General partners have no limits on the dividends they can receive from profit so they incur unlimited liability.
- Limited partners can only receive a share of profits based on the proportional amount on their investment, and liability is similarly limited in proportion to their investment.

"C" Corporation

A "C" corporation is a legal entity created under state law by the filing of articles of incorporation. A corporation is a separate entity having its own rights, privileges and liabilities, apart from those of the individual(s) forming the corporation. It's the most complex form of business organization and is comprised of shareholders, directors and officers. Since the corporation is a separate legal entity in its own right it can own assets, borrow money and perform business functions without directly involving the owners. Corporations are subject to more government regulation and offer the owners the advantage of limited liability, but not total protection from lawsuits.

Subchapter "S" Corporation

Subchapter "S" references a special part of the Internal Revenue Code that permits a corporation to be taxed as a partnership or sole proprietorship, with

profits taxed at the individual, rather than the corporate rate. A business must meet certain requirements for Subchapter "S" status. Contact the IRS for more information.

LLCs and LLPs

The limited liability company is a relatively new business form. It combines selected corporate and partnership characteristics while still maintaining status as a legal entity distinct from its owners. As a separate entity it can acquire assets, incur liabilities and conduct business. It limits liability for the owners. The limited liability partnership is similar to the LLC, but it is for professional organizations.

LOGISTICS OF STARTING YOUR BUSINESS

BUSINESS LICENSES

There are many types of licenses, both state and local as well as professional. Depending on what you do and where you plan to operate, your business may be required to have various state and/or municipal licenses, certificates or permits.

Licenses are typically administered by a variety of state and local departments. Consult your state or local government for assistance.

FICTITIOUS BUSINESS NAME

Registering your business name, after doing a search to make sure that it is not already in use, protects you from others who might want to use the same name. For more information, contact the county clerk's office in the county where your business is based. If you are a corporation, you'll need to check with the state.

BUSINESS INSURANCE

Like home insurance, business insurance protects your business against fire, theft and other losses. Contact your insurance agent or broker. It is prudent for any business to purchase a number of basic types of insurance. Some types of coverage are required by law, other simply make good business sense. The types of insurance listed below are among the most commonly used and are merely a starting point for evaluating the needs of your business.

Liability Insurance – Businesses may incur various forms of liability in conducting their normal activities. One of the most common types is product

liability, which may be incurred when a customer suffers harm from using the business product. There are many other types of liability, which are frequently related to specific industries. Liability law is constantly changing. An analysis of your liability insurance needs by a competent professional is vital in determining an adequate and appropriate level of protection for your business.

Property – There are many different types of property insurance and levels of coverage available. It is important to determine the property you need to insure for the continuation of your business and the level of insurance you need to replace or rebuild. You must also understand the terms of the insurance, including any limitations or waivers of coverage.

Business Interruption – While property insurance may pay enough to replace damaged or destroyed equipment or buildings, how will you pay costs such as taxes, utilities and other continuing expenses during the period between when the damage occurs and when the property is replaced? Business Interruption (or "business income") insurance can provide sufficient funds to pay your fixed expenses during a period of time when your business is not operational.

"Key Man" – If you (and/or any other individual) are so critical to the operation of your business that it cannot continue in the event of your illness or death, you should consider "key man" insurance. This type of policy is frequently required by banks or government loan programs. It also can be used to provide continuity in operations during a period of ownership transition caused by the death, incapacitation or absence due to a Title 10 military activation of an owner or other "key" employee.

Automobile – It is obvious that a vehicle owned by your business should be insured for both liability and replacement purposes. What is less obvious is that you may need special insurance (called "non-owned automobile coverage") if you use your personal vehicle on company business. This policy covers the business' liability for any damage which may result for such usage.

Officer and Director – Under most state laws, officers and directors of a corporation may become personally liable for their actions on behalf of the company. This type of policy covers this liability.

Home Office – If you are establishing an office in your home, it is a good idea



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Counselors to America's Small Business

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- *Growing a business*
- *In need of business planning*

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- *CONFIDENTIAL counseling*
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Call your nearest
SCORE Chapter
for more information!

Aberdeen, SD
(605) 626-2565

Sioux Falls, SD
(605) 330-4243

Rapid City, SD
(605) 394-1706

to contact your homeowners' insurance company to update your policy to include coverage for office equipment. This coverage is not automatically included in a standard homeowner's policy.

EMPLOYER IDENTIFICATION NUMBER

An EIN, also known as a federal tax identification number, is used to identify a business entity. Generally all businesses need an EIN. You may apply for an EIN in a variety of ways, including online, phone, and fax. Taxpayers can obtain an EIN immediately by calling 800-829-4933, Monday through Friday, from 7:30 a.m. to 5:30 p.m. customer's local time.

More information can be found at www.irs.gov.

FEDERAL SELF-EMPLOYMENT TAX

Every employee must pay Social Security and Medicare coverage. If you are self-employed, your contributions are made through the self-employment tax.

The IRS has publications, counselors and workshops available to help you sort it out. For more information, contact the IRS at 800-829-1040 or www.irs.gov.

SALES TAX EXEMPTION CERTIFICATE

If you plan to sell products, you will need a Sales Tax Exemption Certificate. It allows you to purchase inventory, or materials, which will become part of the product you sell, from suppliers without paying taxes. It requires you to charge sales tax to your customers, which you are responsible for remitting to the state. You will have to pay penalties if it is found that you should have been taxing your products and now owe back taxes to the state. For information on sales tax issues, contact your state's government.

FEDERAL INCOME TAX

Like the state income tax, the method of paying federal income taxes depends upon your legal form of business.

Sole Proprietorship: You must file IRS Federal Form Schedule C along

with your personal Federal Income Tax return (Form 1040) and any other applicable forms pertaining to gains or losses in your business activity.

Partnership: You must file a Federal Partnership return (Form 1065). This is merely informational to show gross and net earnings of profit and loss. Also, each partner must report his share of partnership earnings on his individual Form 1040 based on the information from the K-1 filed with the Form 1065.

Corporation: You must file a Federal Corporation Income Tax return (Form 1120). You will also be required to report your earnings from the corporation including salary and other income such as dividends on your personal federal income tax return (Form 1040).

FEDERAL PAYROLL TAX

Federal Withholding Tax: Any business employing a person must register with the IRS and acquire an EIN and pay federal withholding tax at least quarterly. File Form SS-4 with the IRS to obtain your number and required tax forms. Call 800-829-3676 or 800-829-1040 if you have questions.

IRS WEB PRODUCTS FOR SMALL BUSINESSES

For the most timely and up-to-date tax information, go to www.irs.gov/businesses/small/index.html.

Updated Virtual Small Business Tax Workshop

The IRS's **Virtual Small Business Tax Workshop** (www.tax.gov/SmallBusinessTaxpayer) is an interactive resource to help small business owners learn about their federal tax rights and responsibilities. This dynamic educational product consists of several stand-alone lessons that can be selected and viewed in any sequence.

SOCIAL SECURITY CARDS

All employees must have a social security card. It must be signed by its owner, and you should always ask to see and personally record the social security number. Failure to do so may cause your employee to lose benefits and considerable trouble for yourself in back tracking to uncover the error.

Each payday, your employees must receive a statement from you telling them what deductions were made and how many dollars were taken out

NATIONAL
AWARD
WINNER

South Dakota and National Award Winner 2011 Small Business Person of the Year Leigh Kamstra — Roma's Ristorante, Spearfish

continued from page 7

"for sale or lease" sign in the window. Leigh could picture herself and her restaurant there. Things started moving quickly and after some negotiating with the owner for a lease Leigh could afford and a loan of \$60,000 guaranteed by the Small Business Administration (SBA), the refurbishing of the building began in March 2000. There were multiple challenges the old building presented such as no electricity or water, but nothing that couldn't be fixed. After three months of whirlwind activity, Leigh transformed the building into a unique and quaint Italian restaurant, Roma's Ristorante.

During the next 10 year's Roma's became known as a premier restaurant in Spearfish and the regional area, but it wasn't all an easy adventure. There were issues with the building lease, people stopped eating out after 9/11/2001 for some time and sales took a drastic decline, and Leigh went through some personal problems as well. Leigh persevered and business increased to the point where she started thinking about expanding her business. This was viewed as a risky proposition as she had an established and successful business at her chosen location, but Leigh knew she

had outgrown her special building. She only had 23 tables and sales were maxed out as they couldn't turn them over fast enough to make more money. So Leigh moved forward and with an SBA 504 loan of \$598,000, she designed, constructed and opened the doors of her brand new building in June 2010.

The new building offers more seating, a more efficient kitchen space, and better visibility from the interstate which carries thousands of visitors through the Black Hills National Forest. There is also an elevated area for musicians to perform and a meeting room for special occasions. Since the restaurant opened in its new location, sales have nearly doubled and employees have increased from 11 to 35 also helping the local economy.

Leigh is active in the Spearfish community. She has donated the use of the restaurant on several occasions to host fundraisers for various non-profit organizations in the community, donated goods and services to feed the animals at the wildlife sanctuary and is a board member of the Northern Hills Alcohol and Drug Services.

for each legal purpose. This can be presented in a variety of ways, including on the check as a detachable portion or in the form of an envelope with the items printed and spaces for dollar deductions to be filled in.

State Tax License

If your business will have a location in South Dakota, or will sell, rent or lease any product or service in South Dakota, a state Tax License must be obtained for each business location from the:

South Dakota Department of Revenue

Anderson Bldg.
445 E. Capitol Ave.
Pierre, SD 57501
800-829-9188

or

In Aberdeen:	605-626-2218
Mitchell	605-995-8080
Pierre	605-773-3311
Rapid City	605-394-2332
Sioux Falls	605-367-5800
Watertown	605-882-5188
Yankton	605-668-2939

Visit the Department of Revenue on the Internet at: www.state.sd.us/drr2/businesstax.htm

State Health Inspection

If food products are to be prepared and served, an inspection must be completed for a food license. For more information, contact the:

State Department of Health

Health Bldg.
600 E. Capitol Ave.
Pierre, SD 57501
605-773-3361

Check for local license requirements.
www.state.sd.us/doh

EMPLOYEE CONSIDERATIONS

Internal Revenue Service (www.irs.gov)

Employers need to obtain an IRS Employer Identification Number if they do not already have one. See the EIN section above.

See the IRS business information above for links to on-line learning about being an employer in the Virtual Small Business Workshop, Publication 1066C.

IRS Requirements

- Federal Income tax withholding
- Social Security tax withholding and matching
- Medicare tax withholding and matching
 - IRS Form W4; 941, 943 (agricultural), or 944; and EFTPS electronic deposits
 - IRS Publication 15, 51 (agricultural), 15A (supplemental), 15B (fringe benefits)
- Federal Unemployment Tax
 - IRS Form 940

Social Security Administration

www.socialsecurity.gov/employer
800-772-1213

Annual wage reporting

- IRS Form W2 and W3

Social Security's Business Services

Online provides free electronic services online at www.socialsecurity.gov/employer/.

Once registered for Business Services Online, business owners or their authorized representative can:

- file W-2s online; and
- verify Social Security Numbers through the Social Security Number Verification Service, used for all employees prior to preparing and submitting Forms W-2.

Immigration and Customs Enforcement (ICE)

800-870-3676 or 800-357-2099

www.uscis.gov

- Form I-9

U.S. Department of Labor

www.dol.gov/compliance/topics/posters.htm

Required postings (free posters also available at SD Department of Labor local offices <http://dol.sd.gov/employerserv/postingrequirements.aspx>)

State Employer Requirements

Depending on the state in which you are hiring, also contact the state about

- State income tax withholding
- State Unemployment Tax
SD: <http://www.sdjobs.org>;
<http://dol.sd.gov/>
- State workers' compensation
SD: <http://dol.sd.gov/workerscomp/default.aspx>
- New Hire reporting
national information:
www.acf.hhs.gov/programs/cse/newhire/employer/private/newhire.htm
SD: <http://dol.sd.gov/ui/newhirereporting.aspx>
888-827-6078; 605-626-2942
South Dakota state general web site:
www.state.sd.us/drr2
State workshops schedule
<https://apps.sd.gov/applications/RV23Education/classes.aspx>

HIRING INDEPENDENT/ CONTRACTORS

Businesses that pay for services from other than employees may need to report the payment on Forms 1099-MISC with Form 1096. Reporting requirements to corporations will be expanding due to 2010 legislation. See IRS Publications 15A and 1779 for more information on independent contractors and 1099 instructions for more

information on reporting. Reporting can be done on paper or via the IRS FIRE system.

<https://fire.irs.gov/firev1/>

Social Security's Business Services Online

The Social Security Administration now provides free electronic services online at www.socialsecurity.gov/employer/. Once registered for Business Services Online, business owners or their authorized representative can:

- file W-2s online; and
- verify Social Security Numbers through the Social Security Number Verification Service, used for all employees prior to preparing and submitting Forms W-2.

Federal Withholding

U.S. Internal Revenue Service
800-829-1040
www.irs.gov

Health Insurance

Compare plans in your area at www.healthcare.gov.

Employee Insurance

If you hire employees you may be required to provide unemployment or workers' compensation insurance.

Other Considerations

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees. OSHA outlines specific health and safety standards adopted by the U.S. Department of Labor. Most businesses must comply with Federal law regarding payment of wages and child labor protections. These laws require payment of minimum wage and overtime unless an employee is specifically exempt.

The law also requires certain records to be kept and restricts the work of minor under the age of eighteen. Assistance and publications are available from the Wage and House Division of the U.S. Department of Labor. For more information, call 605-330-4241 or visit the web at www.dol.gov/elaws.

Business Posters Needed:

- Federal Five in One Labor Laws - available from local job service office or call 800-999-9111. Department of Labor posters area are also available at www.dol.gov/elaws/posters.htm
- State Unemployment Insurance Notice to Employees - available from Department of Labor in Aberdeen at 605-626-2312.

- Safety Posters - available from workmen's compensation carrier.
- Assistance on South Dakota State Laws is available at the:

South Dakota Department of Labor

Kneip Bldg.
700 Governor's Dr.
Pierre, SD 57501
605-773-3101
www.state.sd.us/dol

Legal Assistance

Many business owners consider legal services only when their firms are in trouble. However, costly and time-consuming legal problems can be averted by retaining a competent attorney who can advise on such business issues as: choosing the type of business organization that best suits your needs; advising you as to local, state and federal regulations that affect your business, obtaining licenses and permits; preparing or inspecting contracts; assisting in obtaining financing; and providing advice on many business problems. For statewide lawyer referral contact the South Dakota Lawyer Referral Service at 800-952-2333, a public service of the State Bar of South Dakota.

WORKPLACE DISABILITY PROGRAMS

Americans with Disabilities (ADA): For assistance with the ADA, call 800-669-3362 or visit www.ada.gov.

U.S. CITIZENSHIP AND IMMIGRATION SERVICES

The Federal Immigration Reform and Control Act of 1986 requires employers to verify employment eligibility of new employees. The law obligates an employer to process Employment Eligibility Verification Form I-9. The U.S. Citizenship and Immigration Services Office of Business Liaison offers a selection of information bulletins and live assistance through the Employer Hotline. For forms call 800-870-3676, for the Employer Hotline call 800-357-2099.

E-Verify: Employment Eligibility Verification

E-Verify, operated by the Department of Homeland Security in partnership with the Social Security Administration, is the best--and quickest--way for employers to determine the employment eligibility of new hires. It is a safe, simple, and secure Internet-based system that electronically verifies the

Social Security number and employment eligibility information reported on Form I-9. E-Verify is voluntary in most states and there is no charge to use it.

If you are an employer or employee and would like more information about the E-Verify program, please visit www.dhs.gov/E-Verify or contact our Customer Support staff: 1-888-464-4218 Monday – Friday 8 am – 5 pm. E-mail: e-verify@dhs.gov

SAFETY & HEALTH REGULATIONS

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees. The Occupational Safety and Health Administration outlines specific health and safety standards adopted by the U.S. Department of Labor.

Federal Occupational Safety & Health Administration

Department of Labor
820 First St. N.E.
Washington, DC 20020
202-693-5000
www.dol.gov
www.osha.gov

Department of Environmental & Natural Resources

Foss Bldg.
523 E. Capitol Ave.
Pierre, SD 57501
605-773-3151
www.state.sd.us/denr

BUILDING CODES, PERMITS AND ZONING

It is important to consider zoning regulations when choosing a site for your business. You may not be permitted to conduct business out of your home or engage in industrial activity in a retail district. Contact the business license office in the city or town where the business is located.

BAR CODING

Many stores require bar coding on packaged products. Many industrial and manufacturing companies use bar coding to identify items they receive and ship. There are several companies that can assist businesses with bar-coding needs. You may want to talk with an SBDC, SCORE or WBC counselor for more information.

Federal Registration of Trademarks and Copyrights

Trademarks or service marks are words, phrases, symbols, designs or combinations thereof that identify and distinguish the source of goods. Trademarks may be registered at both the state and federal level. To register a federal trademark, contact:

U.S. Patent and Trademark Office:

P.O. Box 1450
Alexandria, VA 22313-1450
800-786-9199
www.uspto.gov/

Trademark Information Hotline

703-308-9000

STATE REGISTRATION OF A TRADEMARK

Trademarks and service marks may be registered in a state.

Caution: Federally registered trademarks may conflict with and supersede state registered business and product names.

Patents

A patent is the grant of a property right to the inventor by the U.S. Patent and Trademark Office. It provides the owner with the right to exclude others from making, using, offering for sale or selling the patented item in the United States.

Additional information is provided in the publications, General Information Concerning Patents and other publications distributed through the U.S. Patent and Trademark Office. For more information, contact the:

U.S. Patent and Trademark Office

800-786-9199 • www.uspto.gov

Copyrights

Copyrights protect original works of authorship including literary, dramatic, musical and artistic, and certain other intellectual works. Copyright does not protect facts, ideas and systems, although it may protect the way these things are expressed. For general information contact:

U.S. Copyright Office

U.S. Library of Congress
James Madison Memorial Building
Washington, DC 20559
202-707-9100 - Order Line
202-707-3000 - Information Line
www.copyright.gov

FINANCING & SURETY BONDS

GETTING APPROVED

Financing Options to Start or Grow Your Business



Many entrepreneurs need financial resources to start or expand a small business themselves and must combine what they have with other sources of financing. These sources can include family and friends, venture-capital financing, and business loans.

This section of the Small Business Resource guide discusses SBA's primary business loan and equity financing programs. These are: the 7(a) Loan Program, the Certified Development Company or 504 Loan Program, the Microloan Program and the Small Business Investment Company Program. The distinguishing features for these programs are the total dollar amounts that can be borrowed, the type of lenders who can provide these loans, the uses for the loan proceeds, and the terms placed on the borrower.

Note: The SBA does not offer grants to individual business owners to start or grow a business.

SMALL BUSINESS INVESTMENT COMPANY PROGRAM

There are a variety of alternatives to bank financing for small businesses. The Small Business Investment Company (SBIC) program fills the gap between the availability of private capital and the needs of small businesses for growth

capital. Licensed and regulated by the SBA, SBICs are privately owned and managed investment funds that make capital available to qualifying U.S. small businesses at attractive rates.. The funds raise private capital and can receive SBA-guaranteed leverage up to 3x private capital paid-in, with a leverage ceiling of \$150 million per SBIC and \$225 million for two or more licenses under common control. Licensed SBICs are for-profit investment firms whose incentive is to share in the success of a small business. The SBIC program provides funding for a broad range of industries. Some SBICs invest in a particular field or industry while others invest more generally. For more information visit www.sba.gov/inv.

SBIC – Bluestem Capital

122 S. Phillips Ave.
Sioux Falls, SD 57104
605-331-0091

SMALL BUSINESS INNOVATION RESEARCH PROGRAM

The Small Business Innovation Research (SBIR) program encourages small businesses to advance their technical potential from funds committed by federal agencies with large extramural research and development budgets. The SBIR program serves to fund the critical startup and

development stages for a technology and encourages commercialization of the technology, product or service. In turn, this stimulates the U.S. economy.

SBIR Requirements:

Small businesses must meet the following eligibility criteria to participate in the SBIR program.

- Be 51 percent owned and controlled by one or more individuals who are U.S. citizens or permanent resident aliens in the U.S. or be a for-profit business concern that is at least 51 percent owned and controlled by another for-profit business concern that is at least 51 percent owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the U.S.
- Be for-profit.
- Principal researcher must be employed by small business.
- Company size cannot exceed 500 employees.

For more information on the SBIR Program visit www.sba.gov/sbir.

Participating Agencies:

Each year, the following eleven federal departments and agencies are required to reserve 2.5% of their extramural R&D funds for award to small businesses through the SBIR program: Departments of Agriculture; Commerce; Defense; Education; Energy; Health and Human Services; Homeland Security; Transportation; Environmental Protection Agency; National Aeronautics and Space Administration; and National Science Foundation.

SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

The Small Business Technology Transfer (STTR) program reserves a specific percentage of federal R&D funding for award to small business and non-profit research institution partners. Central to the program is expansion of the public/private sector partnership to include the joint venture opportunities for small business and the nation's premier nonprofit research institutions. Small business has long been where innovation and innovators thrive, but

the risk and expense of conducting serious R&D efforts can be beyond the means of many small businesses. Non-profit research laboratories are also instrumental in developing high-tech innovations but frequently, innovation is confined to the theoretical. STTR combines the strengths of both entities by introducing entrepreneurial skills to high-tech research efforts. The technologies and products are transferred from the laboratory to the marketplace. The small business profits from the commercialization, which, in turn, stimulates the U.S. economy.

STTR Requirements:

Small businesses must meet the following eligibility criteria to participate in the STTR program.

- Be 51 percent owned and controlled by one or more individuals who are U.S. citizens or permanent resident aliens in the U.S.
- Be organized for profit.
- Principal researcher need not be employed by small business.
- Company size cannot exceed 500 employees. (No size limit for nonprofit research institution).

The nonprofit research institution partner must also meet certain eligibility criteria:

- Be located in the United States and be one of the following:
- Nonprofit college or university.
- Domestic nonprofit research organization.
- Federally funded R&D center.

Participating Agencies:

Each year the following five Federal departments and agencies are required by STTR to reserve 0.3% of their extramural R&D funds for award to small business/nonprofit research institution partnerships: Department of Defense; Department of Energy; Department of Health and Human Services; National Aeronautics and Space Administration; and National Science Foundation.

SBA BUSINESS LOANS

When you seek a business loan, familiarize yourself with the SBA's business loan programs to see if they may be a viable option. Keep in mind the dollar amount you seek to borrow and how you want to use the loan proceeds. The three principal players in most of these programs are — the applicant small business, the lender and the SBA. SBA guarantees a portion of the loan (except for Microloans). The business should have its business plan prepared before it applies for a loan.

This plan should explain what resources will be needed to accomplish the desired business purpose including the cost of everything, the applicants' contribution, use of loan proceeds, collateral, and most important, an explanation of how the business will be able to repay the loan in a timely manner.

The lender will analyze the application to see if it meets the lender's criteria as well as SBA's requirements. SBA will look to the lender to do much, if not all, of the analysis before it provides its guaranty on the lender's loan or provides the microlenders with funds to re-lend to the business. The SBA's business loan programs provide a key source of financing for viable small businesses that have real potential, but cannot qualify for loans from the lending institutions on their own.

7(a) LOAN PROGRAM

The 7(a) Loan program is the SBA's primary business loan program. It is the agency's most used non-disaster financial assistance program because of its flexibility in loan structure, variety of loan proceed uses, and availability. This program has broad eligibility requirements and credit criteria to accommodate a wide range of financing needs.

The business loans that SBA guarantees do not come from the agency, but rather from banks and other approved lenders. The loans are funded by these organizations and they make the decisions to approve or not approve the applicants' requests.

The SBA guaranty reduces the lender's risk of borrower non-payment. If the borrower defaults, the lender can request SBA to pay the lender that percentage of the outstanding balance guaranteed by SBA. This allows the lender to recover a portion from SBA of what it lent if the borrower can't make the payments. The borrower is still obligated for the full amount.

To qualify for an SBA guaranty, a small business must meet the lender's criteria and the 7(a) requirements. In addition, the lender must certify that it would not provide this loan under the proposed terms and conditions unless it can obtain an SBA guaranty. If the SBA is going to provide a lender with a guaranty, the applicant must be eligible and creditworthy and the loan structured under conditions acceptable to SBA.

PERCENTAGE OF GUARANTIES AND LOAN MAXIMUMS

The SBA only guarantees a portion of any particular loan so each loan will also have an unguaranteed portion, giving the lender a certain amount of exposure and risk on each loan. The percentage SBA guarantees depends on either the dollar amount or the program the lender uses to obtain its guaranty. For loans of \$150,000 or less the SBA may guaranty as much as 85 percent and for loans over \$150,000 the SBA can provide a guaranty of up to 75 percent.

The maximum 7(a) loan amount is \$5 million. (Loans made under the SBAExpress program, which is discussed subsequently, have a 50 percent guaranty.)

INTEREST RATES AND FEES

The actual interest rate for a 7(a) loan guaranteed by SBA is negotiated between the applicant and lender and subject to SBA maximums. Both fixed and variable interest rate structures are available. The maximum rate is comprised of two parts, a base rate and an allowable spread. There are three acceptable base rates (Wall Street Journal Prime*, London Interbank One Month Prime plus 3 percent, and an SBA Peg Rate). Lenders are allowed to add an additional spread to the base rate to arrive at the final rate. For loans with maturities of less than seven years the maximum spread will be no more than 2.25 percent. For loans with maturities of seven years or more, the maximum spread will be 2.75 percent. The spread on loans under \$50,000 and loans processed through Express procedures may be higher.

Loans guaranteed by SBA are assessed a guaranty fee. This fee is based on the loan's maturity and the dollar amount guaranteed, not the total loan amount. The guaranty fee is generally paid by the borrower and can be included in the loan proceeds.

On any loan with a maturity of one year or less, the fee is just 0.25 percent of the guaranteed portion of the loan. On loans with maturities of more than one year, the normal guaranty fee is 2 percent of the SBA guaranteed portion on loans up to \$150,000; 3 percent on loans over \$150,000 but not more than \$700,000; and 3.5 percent on loans over \$700,000. There is also an additional fee of 0.25 percent on any guaranteed portion over \$1 million.

*** All references to the prime rate refer to the base rate in effect on the first business day of the month the loan application is received by SBA.**

7(a) LOAN MATURITIES

SBA loan programs are generally intended to encourage longer term small business financing, but actual loan maturities are based on the ability to repay, the purpose of the loan proceeds and the useful life of the assets financed. However, maximum loan maturities have been established: 25 years for real estate; up to 10 years for equipment (depending on the useful life of the equipment); and generally up to seven years for working capital. Short-term loans and revolving lines of credit are also available through the SBA to help small businesses meet their short-term and cyclical working capital needs.

STRUCTURE

Most 7(a) loans are repaid with monthly payments of principal and interest. For fixed-rate loans the

payments stay the same whereas for variable rate loans the lender can re-establish the payment amount when the interest rates change or at other intervals as negotiated with the borrower. Applicants can request that the lender establish the loan with interest-only payments during the start-up and expansion phases (when eligible) to allow the business time to generate income before it starts making full loan payments. Balloon payments or call provisions are not allowed on any 7(a) loan. The lender may not charge a prepayment penalty if the loan is paid off before maturity, but the SBA will charge the borrower a prepayment fee if the loan has a maturity of 15 or more years and is pre-paid during the first three years.

COLLATERAL

The SBA expects every 7(a) loan to be fully secured, but the SBA will not decline a request to guaranty a loan if the only unfavorable factor is insufficient collateral, provided all available collateral is offered. What these two

policies mean is that every SBA loan is to be secured by all available assets (both business and personal) until the recovery value equals the loan amount or until all assets have been pledged to the extent that they are reasonably available. Personal guaranties are required from all the principal owners of the business. Liens on personal assets of the principals may be required.

ELIGIBILITY

7(a) loan eligibility is based on four different factors. The first is size, as all loan recipients must be classified as “small” by SBA. The basic size standards are outlined below. A more in-depth listing of standards can be found at www.sba.gov/size.

SBA Size Standards:

- Manufacturing — from 500 to no more than 1,500 employees
- Wholesaling — No more than 100 employees
- Services — from \$4.5 million to no more than \$35.5 million in average annual receipts

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Business Services

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Federal Credit Union**

700 E. 14th St. | 5700 E. Arrowhead Pl. | 2517 S. Louise Ave. | 3405 S. Cliff Ave.
605.334.2471 | 800.568.5711 | siouxfallsfcu.org

COOLERS DRIVE THRU

After years of planning, the goal of starting their own business became a reality when Anne and Bertram Rowe established FiveRowe, LLC and opened Coolers Drive Thru in Pierre, S.D. on December 4th, 2010.

“Coolers” was conceived in the state of Ohio where Bert and Anne lived for several years prior to moving to Pierre. Anne and Bert experienced first-hand the convenience of drive-thru shopping. There are approximately 400 drive-through convenience stores in Ohio. They used them on a near daily basis as their children were all young and in car seats. The convenience of buying a gallon of milk without lugging the three of them into the store, particularly in inclement weather was just too enticing not to utilize the stores. They felt that this was a viable business model that lent itself well to franchising and rapid growth.

After finally deciding to take the leap and open the first Coolers, the obstacles began to mount rapidly. Access to financing presented a problem. Bert was an airline pilot who had taken pay cuts during the recent economic downturn and their credit was stretched to the limit. In addition, they had no capital of their own to invest in the project. These two factors combined with the high cost of available land limited their access to financing.

With the help of Marcella Hurley, SBDC, Bert and Annie regrouped, explored other scenarios and found an affordable way to get the business open. They presented their revised plan to their lender. The lender affirmed their faith in the concept and approved their plan for startup funding.

The next hurdle they faced was the City Planning and Zoning approval process. Although there was some apprehension and some detractors, their request found community support and rezoning was approved.

Once the doors were open, the challenges continued. Bert and Annie discovered that they may have been overly optimistic in their expectations regarding customer enthusiasm for their new concept. While they were expecting a startup curve, getting the word out to the public was slower than expected. The “local girl returns home to open a new business”

aspect of their marketing message didn’t get the broad media play they had hoped for. When that didn’t happen, they realized they would need to make a much larger investment in advertising than had been planned. They turned to radio, to an active web presence, and to Facebook to stimulate traffic in the Pierre area and to educate the market. The advertising is paying off and the business is growing rapidly despite the initial obstacles. This has been a learning process in which it has become clear to the owners that creating ‘what if’ scenarios is an important part of the planning process for startup ventures.

A final challenge has been that the delays caused by the obstacles they met resulted in the store opening at the slowest business time of the year. They knew from working with their distributors that January and February startup would cut the revenue projections in half. Even so, they had to act quickly in order to secure the location they had chosen. Despite this final hurdle, Bert and Annie found good news. One supplier told them that they had sold more of his product than the local grocery store and far more than competing convenience stores. In January, gross sales were up 32% from December and numbers are up in February 40% from January.

Bert and Annie are confident as they transition to warmer weather and see significantly higher traffic volumes that, going into the more productive months of the year with an established customer base, they will see continued increase in business.

They continue to work on their long term goal of franchising and internal growth. They have already had private conversations with a competitor about becoming a “Coolers”. Annie and Bert look forward to renewed planning and to taking that next step when the time is right.

“Thanks in part to the help of the SBDC,” Bert said, “we have a growing business. We’re not out of the woods yet, but we remain certain that this big risk will deliver a big reward. Many obstacles were encountered along the way, but each was confronted head on and dealt with. Success is not guaranteed yet, but we are well on our way.”

- Retailing — from \$7 million to no more than \$35.5 million in average annual receipts
- General construction — from \$7 million to no more than \$33.5 million in average annual receipts
- Agriculture — from \$750,000 to no more than \$17.5 million in average annual receipts

Nature of Business

The second eligibility factor is based on the nature of the business and the process by which it generates income or the customers it serves. The SBA has general prohibitions against providing financial assistance to businesses involved in such activities as lending, speculating, passive investment, pyramid sales, loan packaging, presenting live performances of a prurient sexual nature, businesses involved in gambling and any illegal activity.

The SBA will also not support non-profit businesses, private clubs that limit membership on a basis other than capacity, businesses that promote a religion, businesses owned by individuals incarcerated or on probation or parole, municipalities, and situations where the business or its owners previously failed to repay a federal loan or federally assisted financing.

Use of Proceeds

The third eligibility factor is use of proceeds. 7(a) proceeds can be used to: purchase machinery, equipment, fixtures, supplies, make leasehold improvements, as well as land and/or buildings that will be occupied by the business borrower.

Proceeds can also be used to:

- Expand or renovate facilities;
- Finance receivables and augment working capital;
- Finance seasonal lines of credit;
- Acquire businesses;
- Startup businesses;
- Construct commercial buildings; and
- Refinance existing debt under certain conditions.

SBA 7(a) loan proceeds cannot be used for the purpose of making investments. SBA proceeds cannot be used to provide funds to any of the owners of the business except for ordinary compensation for actual services provided.

Miscellaneous Factors

The fourth factor involves a variety of requirements such as SBA’s credit elsewhere test and utilization of personal assets requirements where the

business and its principal owners must use their own resources before getting a loan guaranteed by SBA. It also includes SBA's anti-discrimination rules and restrictions on lending to agricultural enterprises because there are other agencies of the federal government with programs to fund such businesses.

Generally, SBA loans must meet the following criteria:

- Every loan must be for a sound business purpose;
- There must be sufficient invested equity in the business so it can operate on a sound financial basis;
- There must be a potential for long-term success;
- The owners must be of good character and reputation; and
- All loans must be so sound as to reasonably assure repayment.

For more information, go to

www.sba.gov/apply.

WHAT TO TAKE TO THE LENDER

Documentation requirements may vary; contact your lender for the information you must supply.

Common requirements include the following:

- Purpose of the loan.
- History of the business.
- Financial statements for three years (existing businesses).
- Schedule of term debts (existing businesses).
- Aging of accounts receivable and payable (existing businesses).
- Projected opening-day balance sheet (new businesses).
- Lease details.
- Amount of investment in the business by the owner(s).
- Projections of income, expenses and cash flow as well as an explanation of the assumptions used to develop these projections.
- Personal financial statements on the principal owners.
- Resume(s) of the principal owners and managers.

HOW THE 7(a) PROGRAM WORKS

Applicants submit their loan application to a lender for the initial review. The lender will generally review the credit merits of the request before deciding if they will make the loan themselves or if they will need an SBA guaranty. If a guaranty is needed, the lender will also review eligibility, and the applicant should be prepared to complete some additional documents before the lender reviews the request to ensure it meets SBA's requirements before sending the request for guaranty

to the SBA. Applicants who feel they need more help with the process should contact their local SBA district office or one of SBA's resource partners for assistance.

There are several ways a lender can apply to the SBA for a 7(a) guaranty from SBA. The main differences between these methods are related to the documentation which the lender provides, the amount of review which SBA conducts, the amount of the loan and the lender responsibilities in case the loan defaults and the business' assets must be liquidated. The methods are:

- Standard 7(a) Guaranty
- Certified Lender Program
- Preferred Lender Program
- Rural Lender Advantage
- SBA Express
- Patriot Express
- Export Express
- Small Loan Advantage
- Community Advantage

For the Standard, Certified and Preferred methods, the applicant fills out SBA Form 4, and the lender completes SBA Form 4-1. When requests for guarantees are processed using Express Advantage methods, the applicant uses more of the regular forms of the lender and just has a few federal forms to complete. When SBA receives a request that is processed through Standard or CLP procedures, it either reanalyzes or reviews the lender's eligibility and credit analysis before deciding to approve or reject. For requests processed through PLP, or Express programs, the lender is delegated the authority to make the credit decision without SBA's concurrences which help expedite the processing time.

In guaranteeing the loan, the SBA assures the lender that, in the event the borrower does not repay the loan, the government will reimburse the lending institution for a portion of its loss. By providing this guaranty, the SBA is able to help tens of thousands of small businesses every year get financing they might not otherwise obtain.

After SBA approval, the lender is notified that its loan has been guaranteed. The lender then will work with the applicant to make sure the terms and conditions are met before closing the loan, disbursing the funds, and assuming responsibility for collection and general servicing. The borrower makes monthly loan payments directly to the lender. As with any loan, the borrower is responsible for repaying the full amount of the loan in a timely manner.

What the SBA Looks for:

- Ability to repay the loan on time from the projected operating cash flow.
- Owners and operators who are of good character.
- Feasible business plan.
- Management expertise and commitment necessary for success.
- Sufficient funds, including the SBA guaranteed loan, to operate the business on a sound financial basis (for new businesses, this includes the resources to meet start-up expenses and the initial operating phase).
- Adequate equity invested in the business.
- Sufficient collateral to secure the loan or all available collateral if the loan cannot be fully secured.

SBAEXPRESS

The SBAExpress guaranty is available to lenders as a way to obtain a guaranty on smaller loans up to \$350,000. **(Note: Through September 27, 2011, this has increased to \$1 million.)**

The program authorizes selected, experienced lenders to use mostly their own forms, analysis and procedures to process, service and liquidate SBA-guaranteed loans. The SBA guarantees up to 50 percent of an SBAExpress loan. Loans under \$25,000 do not require collateral. The use of loan proceeds is the same as for any basic 7(a) loan. Like most 7(a) loans, maturities are usually five to seven years for working capital and up to 25 years for real estate or equipment. Revolving lines of credit are allowed for a maximum of seven years.

PATRIOT EXPRESS

The Patriot Express pilot loan initiative is for veterans and members of the military community wanting to establish or expand a small business. Eligible military community members include:

- Veterans;
- Service-disabled veterans;
- Active-duty servicemembers eligible for the military's Transition Assistance Program;
- Reservists and National Guard members;
- Current spouses of any of the above, including a servicemember;
- The widowed spouse of a servicemember or veteran who died during service or of a service-connected disability.

The Patriot Express loan is offered by SBA's widest network of lenders nationwide and features the fastest turnaround time for loan approvals.

Loans are available up to \$500,000 and qualify for SBA's maximum guaranty of 85 percent for loans of \$150,000 or less and 75 percent for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to take all available collateral.

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. Your local SBA district office will have a listing of Patriot Express lenders in your area. More information is available at www.sba.gov/patriotexpress.

ADVANTAGE LOANS

In early 2011, SBA rolled out two Advantage loan initiatives aimed at helping entrepreneurs and small business owners in underserved communities gain access to capital. Both offer a streamlined loan application process and the regular 7(a) loan guarantee for loans under \$250,000.

The Small Loan Advantage program is available to lenders participating in the Preferred Lenders program. SBA lenders who are not participating in the preferred lenders program can contact their local district office to apply.

The Community Advantage pilot program opens up 7(a) lending to mission-focused, community-based lenders – such as CDFIs, CDCs, and microlenders – who provide technical assistance and economic development support in underserved markets.

More information on both programs is available at www.sba.gov/advantage.

RURAL LENDER ADVANTAGE PILOT LOAN PROGRAM

The Rural Lender Advantage Pilot Loan Program is a new user friendly 7(a) loan product designed to meet the needs of smaller, rural lenders, and to increase economic activity and access to capital for small businesses in rural South Dakota. The program's easy application procedures and SBA guidance throughout the process make it a good vehicle for infrequent commercial lenders, lenders who have been recently inactive with SBA, and even those who have never submitted an SBA loan.

Some advantages of the program include:

- A shorter, simplified application for loans of \$350,000 or less.
- Centralized and expedited SBA loan processing (generally 3-5 days).
- SBA's 75/85 percent guaranty mitigates your risk, allowing you to offer credit to newer, less secure businesses.
- The guaranteed portion of an SBA loan can be sold to an investor to maintain your liquidity and enhance your yield.
- Applications can be transmitted by fax.
- Limited financial information can be collected.
- Simplified SBA loan eligibility checklist to help lenders meet SBA's eligibility criteria.

SPECIAL PURPOSE 7(a) LOAN PROGRAMS

The 7(a) program is the most flexible of SBA's lending programs. The agency has created several variations to the basic 7(a) program to address the particular financing need of certain small businesses. These special purpose programs are not necessarily for all businesses but may be very useful to some small businesses. They are generally governed by the same rules, regulations, fees, interest rates, etc. as the regular 7(a) loan guaranty. Lenders can advise you of any variations.

CAPLines

The CAPLines program is designed to help small businesses meet their short-term and cyclical working capital needs. There are five loan programs under the CAPLines umbrella. The programs can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts; finance the direct cost associated with commercial and residential construction; finance operating capital by obtaining advances against existing inventory and accounts receivable; and consolidate short-term debt. SBA provides up to an 85 percent guarantee. There are five distinct programs under the CAPLINE umbrella:

- **The Contract Loan Program** is used to finance material and labor needs for a specific contract or contracts. Proceeds can be disbursed before the work begins. If used for one contract, it is generally not revolving; if used for more than one contract at a time, it can be revolving. The loan maturity is usually based on the length of the contract, but no more than five years. Contract payment must be sent directly to the lender.

- **The Seasonal Line of Credit Program** is used to support buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory. The business must have been in business for a period of 12 months and must have a definite established seasonal pattern. The loan may be used over again after a "clean-up" period of 30 days to finance activity for a new season. These also may have a maturity of up to five years. The business may not have another seasonal line of credit outstanding but may have other lines for non-seasonal working capital needs.
- **The Builders Line Program** provides financing for small contractors or developers to construct or rehabilitate residential or commercial property. Loan maturity is generally three years but can be extended up to five years if necessary to facilitate sale of the property. Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. The purchase of the land can be included if it does not exceed 20 percent of the loan proceeds. Up to 5 percent of the proceeds can be used for physical improvements that benefit the property.
- **The Small Asset-Based Line** is a revolving line of credit (up to \$200,000) that provides short term working capital. These lines are generally used by businesses that provide credit to their customers. Disbursements are based on the size of a borrower's accounts receivable and/or inventory. Repayment comes from the collection of accounts receivable or sale of inventory. It does require periodic servicing and monitoring of the collateral for which the lender can charge up to two percent annually to the borrower.
- **The Standard Asset-Based Line** is similar to the Small Asset-Based Line, but for loan amounts over \$200,000. It does require stricter servicing and monitoring and the lender may pass these costs along to the borrower.

DEALER FLOOR PLAN PILOT INITIATIVE

Under the Dealer Floor Plan Pilot Initiative, which will be available through Sept. 30, 2010, SBA will guarantee up to 75 percent of a floor plan line of credit between \$500,000 and \$5 million to eligible dealers of titleable assets, including, but not limited to, automobiles, motorcycles, boats (including boat trailers), recreational vehicles and manufactured housing

(mobile homes). The maximum maturity on revolving lines of credit approved under this pilot initiative will be limited to five years.

Proceeds must be used either for the acquisition of titleable inventory for retail sales or to refinance existing floor plan lines of credit with another lender. Repayment of these lines will occur as the acquired inventory is sold. Proceeds may not be used for any other purpose, including to refinance any existing same-institution floor plan line of credit.

This pilot program is scheduled to expire September 30, 2013.

EXPORT ASSISTANCE Trade Financing

The SBA has help for existing small businesses wanting to export goods and services.

U.S. EXPORT ASSISTANCE CENTER (USEAC)

U.S. Export Assistance Centers are a network of facilities around the U.S. staffed by SBA, U.S. Department of Commerce and the Export-Import Bank of the U.S. to provide trade promotion and export-finance assistance for small businesses in a single location. The USEACs also work closely with other federal, state and local international trade organizations. To find the nearest USEAC, go to www.export.gov/eac.

EXPORT WORKING CAPITAL PROGRAM

The SBA's Export Working Capital program (EWCP) assists lenders in meeting the needs of exporters seeking short-term export working capital. This program enables U.S. exporters to obtain loans to fund their direct export costs. The EWCP supports single transactions or revolving lines of credit. The maximum dollar amount of an export line of credit under this program is \$5 million. SBA guarantees up to 90% of a loan amount or \$ 4.5 million, whichever is less. Loan maturities are generally for a term of 12 months. The guaranty can be reissued for an additional 12 months through a new application process. The guaranty fee the SBA charges is 0.25 percent of the guaranteed amount of the loan for the initial 12 months. The borrower negotiates the interest rate and all other fees with the lender. The program offers flexible terms, low fees and a quick processing time. For information, see www.sba.gov/exportloans.

Eligibility of Exporter

You must have a business operating history of at least one year – not necessarily in exporting. The SBA may waive this requirement if you have sufficient export trade experience or other managerial experience.

Eligibility of Foreign Buyers

The foreign buyer must be a creditworthy entity and the methods of payment must be acceptable to the SBA and the export lender.

Use of EWCP Proceeds:

- To acquire inventory for export or to be used to manufacture goods for export.
- To pay the manufacturing costs of goods for export.
- To purchase goods or services for export.
- To support standby letters of credit related to export transactions.
- For pre-shipment working capital directly related to export orders.
- For post-shipment foreign accounts receivable financing.

Ineligible Use of Proceeds

- To support the applicant's domestic sales.

- To acquire fixed assets or capital goods for the applicant's business.
- To support a sale where the exporter is not taking title to the goods.
- To acquire, equip, or rent commercial space overseas.
- To serve as a warranty letter of credit.

Collateral Requirements


- Collateral for the manufacturing sector typically consists of a first lien on all export-related inventory and export related accounts receivable.
- Collateral for the service sector typically consists of assignment of proceeds of export-related contracts or purchase orders and a first lien on export-related accounts receivable.
- Other collateral may be required.

How to Apply

A small business exporter seeking a guaranteed EWCP loan must apply to a lender.

INTERNATIONAL TRADE LOAN PROGRAM

The SBA's International Trade Loan program (ITL) helps small businesses engaged or preparing to engage in



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international trade as well as small businesses adversely affected by competition from imports. This program allows for a maximum loan amount of \$5 million. The international trade loan provides an SBA guarantee up to \$ 4.5 million for a term loan used for the acquisition, construction, renovation, modernization, improvement or expansion of long-term fixed assets or the refinancing of an existing loan used for these same purposes. It may also be used in for working capital or in conjunction with any SBA working capital loans, including the EWCP. The SBA guaranty fee and interest rates are the same as for any standard 7(a) loans.

Eligibility of Exporter

- Applicants must meet the same eligibility requirements for a 7(a) loan.
- Applicant must establish the loan will significantly expand or develop an export market, or the applicant has been adversely affected by import competition, and, in addition, the applicant must show that upgrading equipment or facilities will improve its competitive position.
- If eligibility is based on entering or expanding export sales, the applicant must submit a one or two page international business plan, including sufficient information to reasonably support the likelihood of expanded export sales.

Use of Proceeds

- For facilities or equipment, including purchasing land and building(s); building new facilities; renovating, improving, or expanding existing facilities; purchasing or reconditioning machinery, equipment and fixtures; and making other improvements that will be used within the United States for producing goods or services. Refinancing a facility/building is also permissible if the original loan on the property could have been refinanced under regular 7(a).

Collateral Requirements - Collateral requirements are the same as for regular 7(a) loans.

How to Apply - A small business exporter seeking a guaranteed loan must apply to an SBA participating lender. Call your local SBA District Office for a list of participating lenders.

EXPORT EXPRESS

The Export Express program is designed to help SBA meet the export financing needs of small businesses. It is subject to the same loan processing, making, closing, servicing, and

liquidation requirements as well as the same maturity terms, interest rates, and applicable fees as for other SBA loans except as noted below. The total Export Express loan cannot exceed \$500,000. SBA guarantees 90 percent for loans of \$350,000 and under and 75 percent for loans greater than \$350,000 up to the maximum of \$500,000. SBA allows participating lenders to make their own credit decisions. SBA provides a quick processing time, less than 36 hours.

Eligible Buyers – The same as for the Export Working Capital Program.

Use of Proceeds

- Finance standby letters of credit used for either bid or performance bonds;
- Finance export development activities such as export marketing and promotional activities, participation in foreign trade shows, translation of product literature for foreign markets, and other activities designed to initiate or expand the applicant's export of its products/services from the U.S.;
- Provide transaction-specific financing for overseas orders;
- Provide revolving lines of credit for export purposes, the term of which must not exceed seven years. In some instances, as a normal course of business, the borrower may use portions of revolving lines of credit for domestic purposes, but no less than 70 percent of the revolving line to be used for export related purposes;
- Provide term loans and other financing to enable small business concerns, including small business export trading companies to develop foreign markets; and
- Acquire, construct, renovate, modernize, improve or expand production facilities or equipment to be used in the U.S. in the production of goods or services to be exported from the U.S.

Ineligible Use of Proceeds

Proceeds may not be used to finance overseas operations, other than those strictly associated with the marketing and/or distribution of products/services exported from the U.S.

How to Apply

The application process is the same for the SBAExpress, except the applicant must demonstrate that loan proceeds will enable it to enter a new export market or expand an existing export market. The applicant must submit to the lender a plan that includes projected export sales for the upcoming year as well as the dollar volume of export sales for the previous year.

SBA'S NON-7(a) LOAN PROGRAMS

In addition to the 7(a) Loan program SBA has three other non-disaster assistance programs which can help small businesses gain access to capital and bonding.

CERTIFIED DEVELOPMENT COMPANY LOAN PROGRAM (504 LOANS)

The 504 Loan program is an economic development program that supports American small business growth and helps communities through business expansion and job creation. This SBA program provides long-term, fixed-rate, subordinate mortgage financing for acquisition and/or renovation of capital assets including land, buildings and equipment. Some refinancing is also permitted. Most for-profit small businesses are eligible for this program. The types of businesses excluded from 7(a) loans (listed previously) are also excluded from the 504 loan program.

Loans are provided through Certified Development Companies. CDCs work with banks and other lenders to make loans in first position on reasonable terms, helping lenders retain growing customers and provide Community Redevelopment Act credit.

The SBA 504 loan is distinguished from the SBA 7(a) loan program in these ways:

The maximum debenture, or long-term loan, is:

- \$5 million for businesses that create a certain number of jobs or improve the local economy;
- \$5 million for businesses that meet a specific public policy goal, including veterans; and
- \$5.5 million for manufacturers and energy public policy projects.

Recent additions to the program allow \$5.5 million for each project that reduces the borrower's energy consumption by at least 10 percent; and \$5.5 million for each project that generates renewable energy fuels, such as biodiesel or ethanol production. Projects eligible for up to \$5.5 million under one of these two requirements do not have to meet the job creation or retention requirement, so long as the CDC portfolio average is at least \$65,000.

- Eligible project costs are limited to long-term, fixed assets such as land and building (occupied by the borrower) and substantial machinery and equipment. Working capital is not an eligible use of proceeds.

- Most borrowers are required to make an injection (borrower contribution) of just 10 percent which allows the business to conserve valuable operating capital. A further injection of 5 percent is needed if the business is a start-up or new (less than 2 years old) and a further injection of 5 percent is also required if the primary collateral will be a single purpose building.
- Two-tiered project financing: a lender finances approximately 50 percent of the project cost and receives a first lien on the project assets (but no SBA guaranty); A CDC (backed by a 100% SBA-guaranteed debenture) finances up to 40% of the project costs secured with a junior lien. The borrower provides the balance of the project costs.
- Fixed interest rate on SBA loan. SBA guarantees the debenture 100 percent. Debentures are sold in pools monthly to private investors. This low, fixed rate is then passed on to the borrower and establishes the basis for the loan rate.
- All project-related costs can be financed, including acquisition (land and building, land and construction of building, renovations, machinery and equipment) and soft costs, such as title insurance and appraisals. Some closing costs may be financed.
- Collateral is typically a subordinate lien on the assets financed; allows other assets to be free of liens and available to secure other needed financing.
- Long-term real estate loans are up to 20-year term, heavy equipment 10 or 20-year term and are self-amortizing.

Businesses that receive 504 loans are:

- Small — net worth under \$15 million, net profit after taxes under \$5 million, or meet other SBA size standards.
- Organized for-profit.
- Most types of business — retail, service, wholesale or manufacturing.

The SBA's 504 certified development companies serve their communities by financing business expansion needs. Their professional staffs works directly with borrowers to tailor a financing package that meets program guidelines and the credit capacity of the borrower's business. For information, visit www.sba.gov/504.

Black Hills Community Economic Development

525 University Loop
Rapid City, SD 57701
605-394-1706
www.bhced.org/loans

Dakota Business Finance

500 Western Ave., Ste. 100
Sioux Falls, SD 57104
605-367-5390

First District Development Company

124 1st Ave. N.W./P.O. Box 1207
Watertown, SD 57201
605-882-5115
www.1stdistrict.org

Prairieland Economic Development Corporation

1 Prairie Dr.
Slayton, MN 56172-1142
507-836-6656
605-335-7332 Sioux Falls

Siouxland Economic Development Corporation

1106 Historic 4th St., Ste. 201
Sioux City, IA 51101
712-279-6430
Serves Union and Clay Counties.
www.siouxlandedc.com

South Dakota Development Corporation

Capitol Lake Plaza
711 E. Wells Ave.
Pierre, SD 57501
605-773-5032
www.sdgreatprofits.com

MICROLOAN PROGRAM

The Microloan program provides small loans ranging from under \$500 to \$50,000. Under this program, the SBA makes funds available to nonprofit intermediaries that, in turn, make the small loans directly to entrepreneurs, including veterans. Proceeds can be used for typical business purposes such as working capital, or the purchase of furniture, fixtures, machinery, supplies, equipment, and inventory. Microloans may not be used for the purchase of real estate. Interest rates are negotiated between the borrower and the intermediary. The maximum term for a microloan is 7 years. For more information, go to www.sba.gov/microloans.

Northeast South Dakota Economic Corporation

104 Ash St. E.
Sisseton, SD 57262-1908
605-698-7654
www.nesdcap.org

THE SURETY BOND GUARANTEE PROGRAM

The Surety Bond Guarantee program is a public-private partnership between the federal government and surety companies to provide small businesses with the bonding assistance necessary for them to compete for public and private contracting and subcontracting opportunities. The guarantee provides all incentive for sureties to bond small businesses that would otherwise be

unable to obtain bonding. The program is aimed at small businesses that lack the working capital or performance track record necessary to secure bonding on a reasonable basis through regular commercial channels.

Through this program, the SBA guarantees bid, payment, performance and ancillary bonds issued by surety companies for individual contracts and subcontracts up to \$2 million. The SBA reimburses sureties between 70 and 90 percent of losses sustained if a contractor defaults on the contract.

The SBA has two program options available, the Prior Approval Program (Plan A) and the Preferred Surety Bond Program (Plan B). In the Prior Approval Program, SBA guarantees 90 percent of surety's paid losses and expenses on bonded contracts up to \$100,000, and on bonded contracts greater than \$100,000 that are awarded to socially and economically disadvantaged concerns, HUBZone contractors, and veterans, and service-disabled veteran owned small businesses. All other bonds guaranteed in the Plan A Program receive an 80 percent guarantee. Sureties must obtain SBA's prior approval for each bond guarantee issued. Under Plan B, SBA guarantees 70 percent, but sureties may issue, monitor and service bonds without SBA's prior approval.

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THE SMALL BUSINESS JOBS ACT:

THE TOOLS SMALL BUSINESSES NEED

On Sept. 27, President Obama signed the Small Business Jobs Act, which is the most significant piece of small business legislation in over a decade. The Jobs Act provides entrepreneurs and small business owners with a toolbox that includes tax relief, access to capital, more contracting opportunities and exporting assistance, so they can grow and create the jobs America needs. So, whether you're starting a business or looking to grow, here are the facts you need to know to take advantage of all that's in the Small Business Jobs Act.

PROVIDING TAX RELIEF FOR SMALL BUSINESSES

As tax season approaches, there are several new tax cuts that small business owners can take advantage of, including:

- The highest ever small business expensing limits—\$500,000 for 2010 and 2011
- Carry back for qualified small businesses of general business credits to offset five years of taxes
- Zero capital gains taxes on qualified stock investments in small businesses for the 2010 tax year
- Increased deductions for start-up expenditures for entrepreneurs for the 2010 tax year
- Easier deductions for employer-provided cell phones
- New deductions for health insurance costs for self-employed business owners and their family members
- Limits on penalties for errors in tax reporting that disproportionately affect small business
- Extended bonus depreciation

HELPING SMALL BUSINESSES GAIN ACCESS TO CAPITAL

Access to capital is one of the biggest concerns facing small businesses. You may have heard about the Jobs Act's extensions of the popular provisions which increased the guarantee on loans and reduced the borrower fees in our top two programs. This helped SBA turn \$505 million in taxpayer funds into \$12 billion in overall small business lending. This temporary provision has drawn to a close, but the Jobs Act made a number of changes to SBA lending which will help small businesses get the capital they need.

For small businesses like manufacturers, exporters, and franchises, that are ready to grow but need larger loans, the Jobs Act permanently increased the limits on SBA loans from \$2 million to \$5 million. This will help more small businesses who need capital use SBA loans. The Jobs Act also increases SBA microloan maximums from \$35,000 to \$50,000. SBA data shows that microloans often benefit entrepreneurs who need startup capital and business owners in underserved communities who often find it harder to access capital.

The Jobs Act contained two important temporary provisions. The limit on quick-turnaround SBA Express loans was increased from \$350,000 to \$1 million through September, 2011. And, the Jobs Act will soon temporarily allow owner-occupied small businesses to use SBA's 504 loan program to refinance their non-SBA commercial real estate mortgages. With a large percentage of commercial real estate mortgages set to mature in the next few years, many small business owners face the negative impact of declining real estate values. Allowing good, healthy small businesses to refinance their mortgages will help them keep their doors open and protect jobs, as well as get more stable, long-term mortgage financing.

HELPING SMALL BUSINESSES WIN GOVERNMENT CONTRACTS

Are you a government contractor? The Federal government is the largest purchaser of goods and services in the world. Last year, \$100 billion in Federal contracts went to small businesses. The Jobs Act contains provisions to help build on that and get more contracts in the hands of small businesses in 2011 and beyond.

For instance, the law reaffirmed “parity” among federal small-business contracting programs. When awarding contracts that are set-aside for small businesses, contracting officers are free to choose among businesses owned by women and service-disabled veterans, as well as businesses participating in HUBZone and 8(a) programs.

The law eliminates the “Competitiveness Demonstration” program, which limited opportunities for small contractors in 11 industries where they excel, such as construction, landscaping and pest control. This will build on the \$24 billion small businesses won in these industries in Fiscal Year 2009 (effective January 31, 2011).

The law gives contracting officers the ability to reserve orders for small business participation on contracts with multiple awards including the Federal Supply Schedule (GSA Multiple Award Schedule). The law makes it harder for agencies to “bundle” contracts, a practice that makes it more difficult for small businesses to compete.

The law establishes a legal standing of “presumption of loss” when a business misrepresents its ownership status or size in winning a government contract. This allows a federal agency to claim a loss on the purchase, enabling those agencies, including the Department of Justice, to vigorously pursue fraudulent firms.

The law holds large prime contractors more accountable to their own subcontracting plans by requiring written justification when plans aren’t met and when small business subcontractors aren’t paid on time. This helps eliminate “bait-and-switch” tactics that occur when large primes – after winning the prime contract – don’t follow through with their own plans to give subcontracts to small businesses.

Whether your small business has worked on government contracts for years, or you’re looking at contracting as a way to grow, there’s good news in the Jobs Act.

HELPING SMALL BUSINESSES GROW THROUGH EXPORTING

Small businesses are the sector of the economy that’s best poised for growth through exporting. With the growth in new technology, new markets are opening up small businesses all the time. And since the President has made it a priority to double the country’s exports, now is a perfect time to begin exporting. The Jobs Act makes growing your business through exporting easier than ever.

The loan limits in SBA’s International Trade Loans and Export Working Capital have been increased to \$5 million. These loans support small business exporters who need capital to invest in exporting and fill orders coming from overseas. Moreover, the Export Express Pilot is now a permanent, with 90% guarantees for loans up to \$350,000 and 75% for loans between \$350,000 and \$500,000. Lastly, the Jobs Act provides funding for competitive grants for states to help small business owners with exporting.

MORE TOOLS FOR SMALL BUSINESSES

There are dozens and dozens of programs, resources, and tools to support your small business in the Small Business Jobs Act. From the new loan programs and tax cuts mentioned above, to the Treasury Department’s Small Business Lending Fund that will help many community banks around the country, you’re sure to find what you need to grow your business and create jobs. Your local SBA district office or resource partner can help you navigate the ins-and-outs of the Jobs Act, or you can get started by visiting www.SBA.gov.





LOAN GUARANTY PROGRAMS

Information current as of March 2011 • All SBA programs and services are provided on a nondiscriminatory basis.

U.S. Small Business Administration

Program	Maximum Amount	Percent of Guaranty	Use of Proceeds	Maturity	Maximum Interest Rate	Guaranty Fees	Who Qualifies	Benefit to Borrowers
7(a) Loans								
Standard 7(a): Applicant applies to lender for loan; Lender applies to SBA for guaranty if they determine it is necessary.	\$5 million gross (\$3.75 million guaranty)	85% on loans of \$150,000 or less; 75% for loans over \$150,000.	Expansion/renovation; new construction, purchase land or buildings; purchase equipment, fixtures, lease-hold improvements; working capital; refinance debt for compelling reasons; short term line of credit, inventory.	Depends on ability to repay. Generally working capital & machinery and equipment (not to exceed life of equipment) is 5-10 years; real estate is 25 years.	Generally Base Rate (Wall Street Prime, LIBOR + 3.0, or SBA Peg Rate plus allowable spread: 2.25% when maturity less than 7 years, 2.75% when maturity 7 years or more.	Check with local SBA District Office for current information.	Must be for profit and meet SBA size standards; show good character, credit, management, and ability to repay; Must be an eligible type of business.	Long-term financing; Improved cash flow; Fixed maturity; No balloons; No prepayment penalty (under 15 years).
SBAExpress Lender approves; Minimal SBA paperwork for lenders.	\$1,000,000	Lender provided a 50% guaranty from SBA	Same as Standard 7(a) or may be used for revolving lines of credit.	Same as Standard 7(a) for loan terms; Revolving lines of credit up to 7 years.	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	Same as Standard 7(a)	Faster turnaround; Streamlined process; Easy-to-use line of credit.
Patriot Express Lender approves loan; Minimal additional SBA paperwork.	\$500,000	Same as Standard 7(a)	Same as Standard 7(a) except cannot be revolving.	Same as Standard 7(a)	Same as Standard 7(a)	Same as Standard 7(a)	Same as Standard 7(a) plus must be owned & controlled by one or more of the following groups equaling 51% total ownership; veteran, active-duty military, reservist or National Guard member or spouse of any of these groups, or widowed spouse of service member or veteran who died during service or of service-connected disability.	Lower interest rate maximums than other SBA Express programs. Less paperwork Fast turnaround Expanded eligibility Electronic application
CAPLines: Short-term/Revolving Lines of Credit; Seasonal Contract Builders Standard/ Small Asset-Based.	\$5 million (small asset based limited to \$200,000)	Same as Standard 7(a)	Finance seasonal working capital needs; cost to perform; construction costs, advances against existing inventory and receivables, consolidation of short-term debts.	Up to 5 years.	Same as Standard 7(a)	Same as Standard 7(a)	Same as Standard 7(a) plus a business that needs specialized proceeds this program offers.	Provides short-term working capital; Structured to meet business needs; Funds to perform on an assignable contract, to cover seasonal needs, to build or renovate personal or commercial space, and to obtain funds against existing current assets.
International Trade to help a business obtain fixed assets used in producing goods and services to be exported.	\$5 million	Same as Standard 7(a)	For the acquisition of long-term, fixed assets plus working-capital loans associated with international trade.	Up to 25 years.	Same as Standard 7(a)	Same as Standard 7(a)	Same as Standard 7(a) plus businesses must be engaged/preparing to engage in international trade/adversely affected by competition from imports.	Long-term financing for land and building where assets are used to produce products for export.
Export Working Capital Program 1-page application, fast turnaround, may apply for prequalification letter.	\$5 million (may be combined with International Trade loan)	Most guaranteed at 90%	Short-term, working-capital loans for exporters.	Up to 3 years but matched single transaction cycle or generally 1 yr. for line of credit.	Established by lender	Same as Standard 7(a)	Same as Standard 7(a) plus must have been in business for at least one year.	Short-term working capital for export needs; inexpensive minimum guaranty fee when maturity one year (one quarter of one percent); Revolving or transaction based; Allows specific financing for exporting without disrupting domestic financing and business plan.
Small Loan Advantage PLP lenders request guarantees using streamlined forms.	\$250,000 gross loan amount	Same as Standard 7(a)	Same as Standard 7(a) except cannot be revolving.	Same as Standard 7(a)	Same as Standard 7(a)	Same as Standard 7(a)	Applicants seeking loans of \$250,000 or less who apply to PLP lenders.	PLP lenders may be more willing to provide financing to applicants seeking smaller loans with the streamlined application forms.
Community Advantage Allows mission-oriented lenders focused on economic development in underserved markets to apply for 7(a) guaranty on loan they propose to make to an otherwise eligible small business.	\$250,000 gross loan amount	Same as Standard 7(a)	Same as Standard 7(a) except cannot be revolving and cannot be used to refinance loans made by or guaranteed by the Dept. of Agriculture or loans by SBA Micro-Lenders using their SBA intermediary loan.	Same as Standard 7(a)	Same as Standard 7(a) except allowable "Spread" is +4.1% rather than base +2.25 or 2.75	Same as Standard 7(a)	Loan eligibility requirements are same as for Standard 7(a) loans, but the business should be located in an underserved market.	Borrower's in underserved markets have more choices on the types of lenders who can provide them financing if their financing needs an SBA guaranty and the technical assistance needs of the applicant are assessed by the lenders.
Non-7(a) Loans								
Microloans Loans through non-profit lending organizations; technical assistance also provided.	\$50,000 (total loan amount to small business borrower)	Not Applicable	Purchase machinery and equipment, fixtures, lease-hold improvement; Finance increased receivables; working capital.	Shortest term possible, not to exceed 6 years.	Check with local SBA District Office for current information.	Not Applicable	Same as 7(a)-Must be profit, meet SBA size standards; show good character credit, management, and ability to repay; Must be an eligible type of business - except nonprofit daycare.	Direct loans from nonprofit intermediary lenders; Fixed-rate financing; Very small loan amounts; Technical assistance available.
504 Loans Fixed Asset, Financing provided by Certified Development Companies (CDCs) and Third Party Lenders.	Up to \$5.0 million	100% guaranty on 504 portion; No guaranty on third party portion.	Long-term, fixed-asset loans	10- or 20-year term	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	For profit businesses that do not exceed \$15.0 million in tangible net worth and do not have average net income over \$5 million for past 2 years.	Fees under 3 percent; long-term fixed rate; low down payment; full amortization; no balloons.

CONTRACTING OPPORTUNITIES

FEDERAL PROCUREMENT OPPORTUNITIES

How to Apply for Government Contracts

The U.S. government is the largest single purchaser of goods and services in the world, buying everything from armored tanks to paper clips. Every year, the federal government awards more than \$500 billion in contracts, and a significant share of those contracts are specifically allotted to small businesses.

The SBA works with agencies to award at least 23 percent of all prime government contracts to small businesses, with specific statutory goals for small disadvantaged businesses, women-owned, service-disabled veteran-owned, or is located in historically underutilized business zones (HUBZone).

The agency ensures that small businesses have access to long-lasting development opportunities, which means working with small businesses to help them stay competitive, as well as encouraging federal agencies to award more contracts to small businesses. The SBA features outreach programs, matchmaking events, and online training opportunities; and helps agencies identify opportunities for small businesses.

HOW GOVERNMENT CONTRACTING WORKS

Sealed bidding vs. Negotiation

There are two methods the government uses to purchase goods and services, sealed bidding and negotiation. The first method, sealed bidding, involves issuing an invitation for bid by a procuring agency. Under the sealed bidding method, a contract is usually awarded to the lowest priced bidder that can meet the quantity, quality and delivery requirements of the procurement. The second method, negotiation, involves issuing a request for proposal or request for quotation. The business with the best proposal in terms of technical content, price and other factors generally wins the contract.



Types of Contracts

Firm fixed price contracts places the responsibility for the costs and risk of loss on the contractor. Firm fixed price contracts do not permit any adjustment on the basis of the contractor's costs during the performance of the contract. This type of contract is used in all sealed bid and some negotiated procurements.

Cost reimbursement contracts provide for the payment of allowable costs incurred by the contractor, to the extent stated in the contract. The contract establishes a ceiling price, above which a contractor may not exceed without the approval of the contracting officer. Cost reimbursement contracts are used in research contracts that have commercial applicability.

Some contracts do not fit neatly into these two categories, such as time and material contracts (prices for hourly wages are fixed but the hours are estimated) and letter contracts (authorizes a contractor to begin work on an urgent requirement).

Small Business Set-Asides

A "set-aside" for small businesses reserves an acquisition exclusively for small business concern participation. There are two ways in which set-asides can be determined. First, if an acquisition of goods or services has an anticipated dollar value of at least \$3,000 but not exceeding \$100,000, it is automatically reserved for small businesses. The acquisition will be set aside only if the contracting officer determines there are two or more responsible small business concerns that are competitive in terms of market prices, quality and delivery. Second, if an acquisition of goods or services is more than \$100,000, and if it's likely offers will be obtained from at least two responsible small business concerns, and if awards will be made at fair market prices, the acquisition is reserved for exclusively for small business concerns. Reasonable expectations of small business competition may be evaluated using past acquisition history of an item or similar items.

There are several exceptions and unique rules for specific kinds of small businesses and industries. For R&D small business set-asides, there must be reasonable expectation of obtaining from small businesses the best scientific and technological sources consistent with the demands of the proposed acquisition. For small business set-asides other than for construction services, any concern proposing to furnish a product that it did not itself manufacture must furnish the product of a small business manufacturer unless the SBA has granted either a waiver or exception to this requirement. In industries where the SBA finds that there are no small business manufacturers, it may issue a waiver to the non-manufacturer rule. Waivers permit small businesses to provide any domestic firm's product.

Subcontracting

Subcontracting opportunities are a great resource for small businesses, especially to those not ready to bid as prime contractors. Experience gained from subcontracting with a federal prime contractor can better prepare businesses to bid for prime contracts.

Current regulations stipulate for contracts offering subcontracting opportunities over \$650,000 for goods and services, or \$1.5 million for construction, large business prime contractors must offer maximum practicable subcontracting opportunities to small businesses. Large business prime contractors must submit a subcontracting plan describing how they will successfully subcontract to small businesses.

To find subcontracting opportunities, a list of Federal prime contractors is available through SBA's Subcontracting Directory at www.sba.gov and www.gsa.gov. Research the list of prime contractors and determine which are best suited for your business. Develop a marketing strategy, and then contact the Small Business Liaison Officer listed for each prime to schedule an appointment.

CERTIFICATE OF COMPETENCY PROGRAM

The Certificate of Competency program allows a small business, that is the apparent successful offeror, to appeal a contracting officer's non-responsibility determination that it is unable to fulfill the requirements of a specific government contract. The SBA will conduct a detailed review of the

firm's technical and financial capabilities to perform on the contract. If the business demonstrates the capability to perform, the SBA issues a Certificate of Competency to the contracting officer, requiring award of that contract to the small business.

WHAT YOU SHOULD KNOW ABOUT YOUR BUSINESS

To be eligible to bid on a federal contract, you must know your business. Answer the following three questions:

1. Are you a small business?

Is your small business:

- Organized for profit?
- Located in the U.S.?
- Operated primarily within the U.S. or making a significant contribution to the U.S. economy through payment of taxes or use of American products, materials, or labor?
- Independently owned and operated?
- Not dominant in the field of operation in which it is bidding for government contracts?
- A sole proprietorship, partnership, corporation, or any other legal form?

If the first six criteria apply to your business, ask yourself the second important question to find out if your business meets size standard requirements.

2. What is the size standard for your business?

Size standards are used to determine whether a business is small or "other than small". Size standards vary depending upon the industry. To determine the size standard for your business, you will need a NAICS code. Every federal agency uses these codes when considering your business. To determine your NAICS code, go to www.census.gov/eos/www/naics/

Some SBA programs require their own unique size standards. To find out more about these requirements and other size standard information, go to www.sba.gov/size

3. Do you fall under a specific certification?

Under the umbrella of "small business," SBA has outlined several specific certifications that businesses may fall under. These certifications are divided into two categories: SBA-Certified and Self-Certified.

The SBA-Certified Programs were created to assist specific businesses in securing federal contracts and therefore can only be issued by SBA administrators. For the Self-Certified Programs, you can determine for yourself if your business meets the requirements by referring to the Federal

Acquisition Regulations (FAR).

Just as Congress has given federal agencies a goal of procuring 23 percent of federal contracts from small businesses, so too must federal agencies meet specific contracting goals for other categories of small firms. These goals are:

- 5 percent of contracts go to Small Disadvantaged Businesses
- 5 percent go to Women-Owned Small Businesses
- 3 percent go to Service-Disabled Veteran-Owned Small Businesses
- 3 percent go to HUBZone Small Businesses

Federal agencies have a strong incentive to fulfill these contracting goals. You should apply for those SBA-Certified and Self-Certified programs for which you qualify to take advantage of contracting opportunities.

HUBZone

The HUBZone program helps small businesses located in distressed urban and rural communities, known as Historically Underutilized Business Zones, gain access to federal set-aside contracts and sole source contracts as well as a price evaluation preference in full and open contract competitions. There is a statutory requirement that HUBZone small business concerns be awarded not less than 3 percent of the total value of all prime contract awards. The HUBZone program also establishes preference for award of federal contracts to small businesses in these areas. To qualify for the program, a business (except tribally-owned concerns) must meet the following criteria:

- It must be a small business by SBA size standards
- It must be owned and controlled at least 51% by U.S. citizens, or a Community Development Corporation, an agricultural cooperative, or an Indian tribe
- Its principal office must be located within a "Historically Underutilized Business Zone," which includes lands considered "Indian Country" and military facilities closed by the Base Realignment and Closure Act
- At least 35% of its employees must reside in a HUBZone.

Existing businesses that choose to move to qualified areas are eligible to apply for certification. To fulfill the requirement that 35 percent of a HUBZone firm's employees reside in a HUBZone, employees must live in a primary residence at a place for at least 180 days, or as a currently registered voter, and with intent to live there indefinitely.

SBA is responsible for:

- Determining whether or not individual concerns are qualified HUBZone small business concerns;
- Maintaining a list of qualified HUBZone small business concerns for use by acquisition agencies in awarding contracts under the program;
- Adjudicating protests and appeals of eligibility to receive HUBZone contracts.

For additional information, visit www.sba.gov/hubzone.

8(a) BUSINESS DEVELOPMENT PROGRAM

The 8(a) Business Development program is a nine year program established to assist eligible socially and economically disadvantaged individuals develop and grow their businesses. Business development assistance includes one-to-one counseling, training workshops, and other management and technical guidance. There is a statutory requirement that small disadvantaged business concerns be awarded not less than 5 percent of the total value of all prime contract awards. All firms that become eligible for SBA's 8(a) business development assistance are also considered small disadvantaged business concerns for federal contracting. To be eligible for the 8(a) Business Development program, a business must meet the following criteria:

- It must be a small business by SBA size standards;
- It must be owned (at least 51 percent) by one or more individuals who qualify as socially and economically disadvantaged, and who are US citizens of good character;
- It must be controlled, managed, and operated by one or more individuals who qualify as disadvantaged, and;
- It must demonstrate potential for success (generally by being in business for at least two full years) before applying.

Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual capabilities. The following individuals are presumed to be socially disadvantaged: Black Americans, Native Americans, American Indians, Eskimos, Aleuts, or Native Hawaiians, Hispanic Americans, Asian Pacific Americans, and Subcontinent Asian Americans. An individual who is not a member of one of these groups must establish individual social disadvantage by a preponderance of evidence. Economically disadvantaged

individuals are socially disadvantaged individuals whose ability to compete in the free-enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged.

Firms owned by Alaska Native Corporations, Indian Tribes, Native Hawaiian Organizations, and Community Development Corporations can also apply to the SBA for 8(a) business development assistance.

So that approved firms can obtain training, counseling, and business development assistance, SBA designates a staff person at a local SBA District Office, geographically near the business.

SBA is responsible for

- Determining whether a business qualifies for the 8(a) Business Development program
- Determining whether a business continues to qualify, during the nine-year term.
- Approving Mentor/Protégé agreements between 8(a) firms and large businesses.

For additional information, visit www.sba.gov/8a.

SDB

An SDB (Small Disadvantaged Business) is defined as a small business that is at least 51 percent owned and controlled by one or more individuals who are socially and economically disadvantaged.

There is a federal-government wide goal of awarding at least 5 percent of prime contracting dollars to SDBs each year. Large prime contractors must also establish a subcontracting goal for SDBs in their Subcontracting Plans.

Firms self-certify as SDB for without submitting any application to SBA, however firms approved by SBA into the 8(a) Business Development program are automatically certified as an SDB. To self-certify, firms should update their CCR profiles and update their ORCA profiles, making sure that both profiles reflect their SDB status.

SDVOSB

The SDVOSB (Service-Disabled Veteran-Owned Small Business) program has a federal government-wide goal of awarding at least 3 percent of prime and subcontracting dollars to Service-Disabled Veteran-

Owned Small Businesses each year. Large prime contractors must also establish a subcontracting goal for Veteran-Owned Small Businesses in their Subcontracting Plans. These subcontracting goals are reviewed at time of proposal by both the contracting officer and SBA prior to the award of a contract.

The SDVOSB Protest is administered by SBA to ensure that only businesses owned by service-disabled veterans receive contracts reserved exclusively for them. When a business's SDVOSB self-certification is challenged, SBA determines if the business meets the status, ownership, and control requirements.

To determine your eligibility, contact your local veterans business development officer, visit the various program websites, or contact SBA's Office of Veterans Business Development at www.sba.gov/vets.

For more information on certifications not described in depth here, refer to the glossary of terms.

WOMEN-OWNED SMALL BUSINESS FEDERAL CONTRACT PROGRAM

On October 7, 2010, the SBA published a final rule effective February 4, 2011, aimed at expanding federal contracting opportunities for women-owned small businesses. The Women-Owned Small Business Federal Contract program authorizes contracting officers to set aside certain federal contracts to Women-owned firms. For additional information, visit www.sba.gov/content/contracting-opportunities-women-owned-small-businesses.



HOW TO GET STARTED

Once you have identified the important information regarding your business, it is time to start the process of procuring a government contract. Take these necessary steps to begin the bidding process:

1. Identify your DUNS (Data Universal Numbering System) number

To register your business, obtain a DUNS number used to identify and track millions of businesses. You can obtain your free DUNS number when registering with the CCR (Central Contractor Registration) at www.ccr.gov or by contacting Dun & Bradstreet at www.dnb.com.

2. Identify your EIN (Employer Identification Number)

An EIN, otherwise known as a federal tax identification number, is generally required of all businesses. For more information, go to www.irs.gov.

3. Identify your NAICS and SIC codes

The NAICS and SIC codes are used to classify the industry a particular business occupies. To register your business, supply at least one code. Refer to the Glossary for more information.

4. Register with the CCR

The CCR is an online government-maintained database of companies wanting to do business with the federal government. Agencies search the database for prospective vendors. The CCR is at www.ccr.gov.

After completing registration, you will be asked to enter your small business profile information through the SBA Supplemental Page. The information will be displayed in the Dynamic Small Business Search.

Creating a profile in CCR and keeping it current ensures your firm has access to federal contracting opportunities. Entering your small business profile, including your business information and key word description, allows contracting officers, prime contractors, and buyers from state and local governments to learn about your company.

5. Use ORCA

Prospective contractors must complete (electronically or through submission of paperwork), representations and certifications for small business size and program status as part of the process that registers your business for federal contracting opportunities. To make this process easier for everyone involved, the government developed ORCA (Online Representations and Certifications Application), where generally, businesses can complete all of the paperwork online. To begin this process, first register your firm in CCR, then go to www.orca.bpn.gov.

6. Register with the GSA Schedule

The GSA (Government Services Administration) Multiple Award Schedule (aka Federal Supply Schedule) is used by GSA to establish long-term, government-wide contracts with commercial firms. Once these contracts are established, government agencies can order the supplies and services they need directly from the firms through the use of an online shopping tool. Becoming a GSA schedule contractor increases your opportunity for contracts across all levels of government. Businesses interested in becoming GSA schedule contractors should review the information available at www.gsa.gov/schedules.

7. Make Sure Your Business is Financially Sound

This critical step is absolutely necessary to make sure that your business is financially prepared for the journey ahead. Even if you are able to obtain a government contract, you will not be receiving all of the money at once. It helps to have a clear plan of how your business will stage the benefits of the contract.

8. Search FedBizOpps for contracting opportunities

Federal Business Opportunities, or FedBizOpps, is an online service operated by the federal government that announces available business opportunities. FedBizOpps helps identify the needs of federal agencies and available contracting opportunities. To begin searching for contracting opportunities, go to www.fbo.gov.

9. Marketing Your Business

Registering your business is not enough to obtain a federal contract: you will need to market your business to attract federal agencies. Tips for good marketing are:

- o Determine which federal agencies buy your product or service, and get to know them
- o Identify the contracting procedures of those agencies
- o Focus on opportunities in your niche and prioritize

Although not required, you may want to obtain a PSC (Product Services Code) and/or a FSC (Federal Supply Classification). These codes provide additional information about the services and products your business offers.

AVAILABLE RESOURCES

SBA has a variety of services and resources that can provide you with more information and coach you through the necessary steps to take in order to be successful in your search for a government contract.

1. The 8(a) Business Development Program

The 8(a) Business Development Program provides development support to small businesses that are economically and/or socially disadvantaged. To find out more, go to www.sba.gov/8a.

2. The Mentor Protégé Program

The Mentor Protégé Program encourages approved mentors to provide various forms of business assistance to eligible 8(a) participants as protégés to improve their ability to compete in the public and private marketplaces successfully. To find out more, go to www.sba.gov/mentor-protége.

3. Online Training Programs

SBA's Small Business Training Network is a virtual campus complete with courses and programs to help the small business owner. The free, 30-minute course, "Business Opportunities: A Guide to Winning Federal Contracts," is a good introduction for businesses looking to obtain a contract with the federal government. To view this course, among others, go to www.sba.gov/training.

4. Online Podcasts

To make help even more accessible, SBA has podcasts on a variety of topics that will provide more specific information on SBA, government contracting, and small businesses. To access these podcasts, go to www.sba.gov/training and select the topic you want to learn more about.

5. Counseling Services

SBA has a variety of counseling services aimed at targeting the various needs of small business owners. Some of the counseling services we offer are:

- o SBA district offices: These offices can provide general information about SBA and government contracts.
- o SBDCs (Small Business Development Centers): SBDCs provide management assistance to current and prospective small business owners in the form of both information and guidance.
- o WBCs (Women's Business Centers): WBCs exist to help women entrepreneurs, especially women who are economically and/or socially disadvantaged, start and grow their own business. This is achieved through comprehensive training and counseling on a vast array of topics in many languages.
- o SCORE - Counselors to America's Small Business: One of SBA's resource partners, SCORE is a non-profit organization dedicated to helping entrepreneurs and small business start, grow, and succeed nationwide.

GLOSSARY OF TERMS

- o Office of Veterans Business Development: The Office of Veterans Business Development aims at maximizing the availability, applicability, and usability of SBA programs for Veterans, Service-Disabled Veterans, Reserve Component Members, and their dependents or survivors.

To find the locations of these offices, or to learn more, go to www.sba.gov/sba-direct.

6. Procurement Resources

There are three main resources available for procurement concerns:

- o PTACs (Procurement Technical Assistance Centers): PTACs provide assistance to businesses that want to sell products and services to federal, state, and/or local government. To find a PTAC in your state, go to www.dla.mil/db/procurem.htm.
- o PCRs (Procurement Center Representatives) and CMRs (Commercial Marketing Representatives): PCRs work to increase the small business share of federal procurement awards. CMRs offer many services to small businesses, including counseling on how to obtain subcontracts. To find a PCR or CMR near you, go to www.sba.gov/sba-direct.

Additional Online Resources

- **Department of Defense** (The DoD is the largest purchaser of goods from small businesses): www.acq.osd.mil/sadbu
- **Office of Federal Procurement Policy:** www.whitehouse.gov/omb/procurement
- **Acquisition Forecast:** www.acquisition.gov/comp/procurement_forecasts/index.html
- **Federal Supply Schedule (FSS):** www.gsa.gov
- **GSA Center for Acquisition Excellence:** www.gsa.gov/portal/content/103487

8(a): The 8(a) Business Development Program assists eligible socially and economically disadvantaged individuals develop and grow their business. There is a federal government-wide goal of awarding at least 5 percent of contracting dollars to small disadvantaged businesses (SDBs); and firms approved into the 8(a) BD program are automatically certified as an SDB. Businesses that usually have been in existence for at least two years may be eligible for the nine-year program that includes counseling, training, and potential federal procurement opportunities.

CCR (Central Contractor Registration):

The CCR is an online government-maintained database of companies wanting to do business with the federal government. Agencies search this database for prospective vendors. To register with the CCR, go to www.ccr.gov.

FAR (Federal Acquisition Regulations):

The FAR is the book of official acquisition regulations by which government programs are defined and federal agencies determine the awarding of contracts. To view the complete FAR, go to www.acquisition.gov/far.

GCBD (Government Contracting and Business Development):

The Office of Government Contracting and Business Development is an office within SBA that aims to enhance the effectiveness of small business programs by developing policies, regulations, and statutory changes. Please refer to the official website at www.sba.gov/contracting.

HUBZone (Historically Underutilized Business Zone):

HUBZones are SBA-designated geographic regions that have been historically underutilized. There is a federal government-wide goal of awarding at least 3 percent of contracting dollars to small businesses in HUBZones. In order to be eligible for the HUBZone program, businesses must have their headquarters located in a HUBZone and 35 percent of their employees must reside in a HUBZone.

NAICS (North American Industry Classification):

NAICS codes are six-digit numbers that are used to classify the industry a particular business occupies. You will need at least one NAICS code to complete your

registration, but be sure to list as many as apply. You may also add or change NAICS codes at any time. To find your NAICS code, visit www.census.gov/eos/www/naics/index.html.

Mentor Protégé Program: The SBA-sponsored Mentor Protégé Program is a subset of the 8(a) Business Development program. Mentor firms are paired with protégé firms to provide managerial and technical assistance to compete successfully for federal contracts. For more information, go to www.sba.gov/8a.

Service-Disabled Veteran-Owned:

The Service-Disabled Veteran-Owned Small Business program is a subset of the Veteran-Owned Small Business program, and has a federal government-wide goal of awarding at least 3 percent of prime and subcontracting dollars to Service-Disabled Veteran-Owned Small Businesses each year.

SIC (Standard Industrial Classification):

SIC codes are four-digit numbers that are used to classify the industry a particular business occupies. While NAICS codes have largely replaced SIC codes, you will still need to provide your SIC code. SIC codes can be found at www.osha.gov/pls/imis/sicsearch.html.

Veteran-Owned: A veteran-owned small business is defined as one that is at least 51 percent owned and controlled by one or more veterans; or, in the case of any publicly owned business, at least 51 percent of the stock is owned by one or more veterans and whose management and daily business operations are controlled by one or more veterans. For more information, go to www.sba.gov/vets.

Women-Owned: A woman-owned small business is defined as one that is at least 51 percent owned and controlled by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock is owned by one or more women and whose management and daily business operations are controlled by one or more women. There is a federal goal of awarding at least 5 percent of contracting dollars to women-owned small businesses each year. For more information, go to www.sba.gov/wosb.

DISASTER RECOVERY & DISASTER ASSISTANCE

Knowing the Types of Assistance Available for Recovery



The disaster program is SBA's largest direct loan program, and the only SBA program for entities other than small businesses. SBA is responsible for providing affordable, timely and accessible financial assistance to homeowners, renters, businesses of all sizes and private, nonprofit organizations following declared disasters. By law, governmental units and agricultural enterprises are ineligible.

The SBA is authorized by the Small Business Act to make two types of disaster loans:

Physical Disaster Loans

Physical Disaster Loans are the primary source of funding for permanent rebuilding and replacement of uninsured or underinsured disaster-caused damages to privately-owned real and/or personal property. SBA's physical disaster loans are available to homeowners, renters, businesses of all sizes and private nonprofit organizations of all sizes. A homeowner may apply for a loan of up to \$200,000 to repair or replace the primary residence to its pre-disaster condition. Homeowners or renters may apply for a loan up to \$40,000 to help repair or replace personal property, such as clothing, furniture or automobiles, lost in the disaster. Businesses and private, nonprofit organizations of any size may apply for a loan up to \$2 million (actual loan amounts are based on the amount of uncompensated damage) to repair or replace real property, machinery, equipment, fixtures, inventory and leasehold improvements.

Economic Injury Disaster Loans

Economic injury disaster loans provide the necessary working capital after a declared disaster until normal operations resume. The law restricts economic injury disaster loans to small businesses,

small agricultural cooperatives and private nonprofit organizations of all sizes. The loan limit for economic injury, as a direct result of the disaster event, is \$2 million. These working capital loans are intended to be made to entities without credit elsewhere, as determined by SBA, to help pay ordinary and necessary operating expenses that would have been payable barring the disaster event. The limit for physical and EIDL loans combined is \$2 million.

Military Reservists Economic Injury Disaster Loans

, a type of economic injury loan, are available for up to \$2 million to assist eligible small businesses meet their ordinary and necessary operating expenses that they could have met, but are unable to meet, because an essential employee was "called up" to active duty in his/her role as a military reservist. These loans are intended to provide only 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.

For all disaster loans, SBA can only approve loans to applicants having a credit history acceptable to SBA and who also show the ability to repay the loans. The terms of each loan are established in accordance with each borrower's ability to repay. The law gives SBA several powerful tools to make disaster loans affordable: low-interest rates (around 4 percent), long-terms (up to 30 years), and refinancing of prior liens (in some cases). As required by law, the interest rate for each loan is based on SBA's determination of whether each applicant does or does not have credit available elsewhere (the ability to borrow or use their own resources to overcome the disaster).

More information on all of SBA's disaster assistance programs, including information for military reservists, is available at www.sba.gov/disaster.

Disaster Preparedness

For small businesses, surviving a disaster doesn't begin with clearing the debris and returning to work.

Surviving begins long before the disaster strikes, or before active-duty orders are received – with proper planning. Your planning should include insurance coverage, emergency power, protection of company records, fire safety, medical emergencies, taking care of your employees and continuity planning – how your business will continue during and after the emergency or disaster.

Starting is as easy as clicking on the SBA's Web site at www.sba.gov/prepare. The site includes a wealth of information on the SBA's disaster recovery programs for homeowners, renters, businesses of all sizes and private, nonprofit organizations. There are articles on emergency planning for disasters, descriptions of SBA's programs, and links to government and industry Web sites with great planning information.

Additionally, to help small businesses with their preparedness planning, SBA has teamed up with Agility Recovery Solutions to encourage small businesses to take the necessary steps to protect their employees, important records and their business assets. SBA and Agility have partnered to provide an educational tool for small business owners via the Prepare My Business Web site (www.preparemybusiness.org).

As small businesses are leading America's economic recovery, many of them are investing time and money into their plans to grow and create jobs. Developing a strong disaster preparedness plan should be a critical and integral piece of those efforts. Planning for a disaster is the best way of limiting its effects.

Other helpful sites include:

Department of Homeland Security (DHS) and the Federal Emergency Management Agency (FEMA) - www.ready.gov

Red Cross Ready Rating Program - www.readyrating.org and www.redcross.org

BUSINESS DIRECTORY

South Dakota SMALL BUSINESS DEVELOPMENT CENTER
ASBDC Accredited

The South Dakota Small Business Development Center helps new entrepreneurs realize their dreams of business ownership and assists existing businesses in their efforts to remain competitive.
www.usd.edu/sbdc

Small Business Development Center (SBDC) Regional Offices

Our Offices
 Region I:
 Rapid City
 605-394-5311
 Region II:
 Pierre
 605-773-2783
 Region III:
 Aberdeen
 605-626-2565
 Region IV:
 Watertown
 605-882-5115
 Brookings
 605-697-5015
 Region V:
 Yankton
 605-465-0751
 Mitchell
 605-465-0751
 Region VI:
 Sioux Falls
 605-367-5757
 Vermillion
 605-677-5287

The South Dakota SBDC comprises a network of resource providers offering entrepreneurs and businesses a complete business resource network. The SBDC network provides professional consulting from business planning, research & development funding, equity financing, government contracting and manufacturing management & process improvement.

U.S. Small Business Administration
SBA
 Your Small Business Resource

South Dakota MANUFACTURING & TECHNOLOGY SOLUTIONS
South Dakota SMALL BUSINESS INNOVATION RESEARCH
South Dakota PROCUREMENT TECHNICAL ASSISTANCE CENTER

"A partnership program with the U.S. Small Business Administration"

NESDEC

NORTHEAST SOUTH DAKOTA ECONOMIC CORPORATION
Business Lending in a 22 County Area
 "To stimulate economic opportunities through loans, technical assistance and partnerships."
Helping Northeast South Dakota Grow!

GROW SD

Growing Sustainable Communities Through Housing, Educational and Economic Opportunities

104 Ash St. E
Sisseton, SD 57262
(605) 698-7654
www.nesdcap.org
(605) 698-3038 FAX



JOIN US TODAY!

Progress is **EVERYONE'S** business.

We are ... Advocating for business.
 Moving the Sioux Falls area forward. Building our future.
 Training tomorrow's leaders. Embracing our economic diversity.
 Enhancing our quality of life.

One voice for business.
 Consider this your invitation:
Join us.

SIoux FALLS AREA CHAMBER OF COMMERCE

200 N. Phillips Ave., Suite 102 • Sioux Falls, SD 57104 • 605.336.1620
siouxfallschamber.com • chambernews.com • siouxfallssyn.com

ADVOCACY

WATCHING OUT FOR YOU

The SBA is Your Voice in Washington



OFFICE OF ADVOCACY

The SBA's Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, the President and federal appellate courts as friends of the court. Advocacy compiles and interprets statistics on small business and is the primary entity within the federal government to disseminate small business data.

Headed by the Chief Counsel for Advocacy, the office also funds outside research of small business issues and produces numerous publications to inform policy makers about the important role of small business in the economy and the impact of government policies on small business. In addition, the office monitors federal agency compliance with the Regulatory Flexibility Act – the law that requires agencies to analyze the impact of their proposed regulations on small entities (including small businesses, small governmental jurisdictions and small

nonprofit organizations), and consider regulatory alternatives that minimize the economic burden on small entities.

Advocacy's mission is enhanced by a team of regional advocates, located in the SBA's 10 regions. They are Advocacy's direct link to small business owners, state and local government entities, and organizations that support the interests of small entities. The regional advocates help identify regulatory concerns of small business by monitoring the impact of federal and state policies at the grassroots level.

Learn more about the Office of Advocacy at www.sba.gov/advo.

OFFICE OF THE NATIONAL OMBUDSMAN

If excessive fines, penalties or unfair regulatory enforcement by federal agencies are problems for your small business, you have a voice in Washington, D.C., through the SBA's Office of the National Ombudsman.

The Ombudsman receives comments regarding federal regulatory enforcement from small business owners, nonprofit organizations and

small government entities. Comments are forwarded to federal agencies for review, and in some cases fines may be lowered or eliminated and decisions changed in favor of the small business owners. Each year the National Ombudsman files a report with the U.S. Congress on the responsiveness of federal agencies regarding their actions of regulatory and compliance enforcement on small businesses.

To request help, send the National Ombudsman a complete Federal Agency Comment Form. You may do this by fax at 202-481-5719; online at the Ombudsman's Web page www.sba.gov/ombudsman; or by mail at 409 Third Street S.W., Mail Code 2120, Washington, DC 20416.

The Ombudsman also coordinates 10 Regional Regulatory Fairness Boards which meet regularly to receive comments about federal regulations affecting small businesses.

Learn more about the National Ombudsman from the Web site above or call 888-REG-FAIR.

BEADLE AND SPINK ENTERPRISE COMMUNITY (BASEC)

BASEC is a nonprofit community development organization that works to develop and improve business, housing, agricultural, and leadership in Cavour, Hitchcock, Iroquois and Yale, and in Beadle County Doland, Frankfort and Tulare in Spink County. BASEC has several loan programs that address these areas as well as provides technical assistance in a variety of ways to all of these rural communities. For more information contact:

BASEC

P.O. Box 68
Yale, SD 57386
605-599-2991
www.basec.org
basec@santel.net

BUREAU OF INDIAN AFFAIRS LOAN GUARANTY PROGRAM

The Bureau of Indian Affairs Loan Guaranty Program was established by the Indian Financing Act of 1974 to stimulate and increase American Indian and Native Alaskan entrepreneurship and employment through establishment, acquisition or expansion of Indian-or Native Alaskan-owned economic enterprises. Complete guidelines and applicable forms can be obtained by contacting:

GREAT PLAINS REGIONAL OFFICE

Federal Bldg.
115 4th Ave. S.E.
Aberdeen, SD 57401-4382
605-226-7381

ENTERPRISE INSTITUTE

The Enterprise Institute is a private, non-profit corporation that provides business development and commercialization services to researchers, inventors and start-up companies in the region. The Institute provides confidential and free consulting through the Small Business Development Center and offers specialized fee-based services to entrepreneurs seeking equity financing and to researchers and inventors that need preliminary commercialization assistance. The Institute also manages several RAIN (registration icon) funds (Regional Angel Investment Network) that provide equity capital for emerging companies in their communities.

Each year, the Enterprise Institute hosts Innovation Expo, a combination Inventors Congress and Venture Capital Forum. This event features a trade show highlighting new businesses and products, educational seminars, the Whatchamacallit Invention Contest and the Deal Dating Pitch Contest to potential investors.

The resources available through the Enterprise Institute provide knowledge and expertise necessary to boost entrepreneurial endeavors in South Dakota. Check out our web-site for more information or contact us at:

ENTERPRISE INSTITUTE

2301 Research Park Way
Brookings, SD 57006
605-697-5015
www.sdei.org

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

The Governor's Office of Economic Development is committed to helping companies create quality job opportunities for South Dakotans. Working with its economic development partners throughout the state, the GOED concentrates its efforts on helping new and expanding firms.

The GOED has a long-standing history of offering competitive financial packages to companies creating jobs in South Dakota. The state's REDI (Revolving Economic Development & Initiative) Fund continues to be the leading finance program, but the state also has finance programs designed for small businesses, entrepreneurs, value-added agricultural projects, workforce development, tourism projects and high risk projects. The goal of the GOED is to keep its finance programs competitive and user friendly.

The GOED partnered with other organizations to re-implement the state's Manufacturing Extension Partnership and the Inventor's Congress. The state is also hosting a new Made in South Dakota website www.madeinsouthdakota.com to help promote South Dakota producers and artists.

For more information on the Governor's Office of Economic Development, check us out at www.sdgreatprofits.com or contact:

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

711 E. Wells Ave.
Pierre, SD 57501-3369
605-773-3301 or 800-872-6190
The Governor's Office of Economic Development is an office of the Department of Tourism and State Development.

HOUSING AND URBAN DEVELOPMENT (HUD)

Mission – To create a decent, safe and sanitary home and suitable living environment for every American. HUD does this by creating opportunities for homeownership, helping low-income persons with housing assistance, enforcing fair housing laws, helping the homeless and helping to meet economic needs in neighborhoods and communities.
HUD Programs:

FHA single family mortgage insurance programs help families become homeowners by lowering the cost of their mortgage loans. Single family loans including buildings up to four units. HUD also funds housing counseling agencies to help homebuyers learn about the buying process.

HUD multifamily mortgage insurance programs (buildings of five or more units) assist private industry in the construction or rehabilitation of rental housing for low income families. HUD also funds local public housing authorities to provide housing assistance. Families pay about 30 percent of their adjusted monthly income for rent, while HUD subsidizes the rest of the monthly rent payment.

HUD annually funds cities and the state with Community Development funds to help meet local needs such as water and sewer systems, community centers, parks and other economic development projects. For more information, contact:

SIoux FALLS HUD OFFICE

4301 W. 57th St., Ste. 101
Sioux Falls, SD 57108
605-330-4223
SD_Webmanager@hud.gov
www.hud.gov/southdakota

INTERNAL REVENUE SERVICE

The Internal Revenue Service has a great wealth of information tailored for small businesses to help you meet your Federal tax obligations.

Online, you can access information at www.irs.gov, and then click on the "Business" tab, then the "Small Business/Self Employed" tab. There you will find a link to subscribe to the free e-newsletter "E News for Small Businesses", an A-Z Index for Business, on-line educational products, a link to small business events in your area, and much more.

There is also a Spanish section, El IRS en Español and the IRS has a translation service for answering questions in other languages.

The following items can be found on-line at www.irs.gov, or by calling 800-829-3676:

- Publication 4591, Small Business Federal Tax Responsibilities, is a tri-fold with a list of resources.
- Publication 583, Starting a Business and Keeping Records explains decisions businesses need to make when they begin.
- Publication 1066C, A Virtual Small Business Tax Workshop CD, contains lessons in English, with subtitles in English, Spanish and Mandarin Chinese.
- Publication 1518, IRS Tax Calendar, has pertinent tax due dates, and each page highlights a different issue for small businesses.

IRS online www.irs.gov
(Business tab;
Small Business/self-employed tab)

Questions:
Small Business 800-829-4933
Forms orders 800-829-3676
General tax questions 800-829-1040
TDD for Hearing Impaired 800-829-4059
Teletax (automated) 800-829-4477
Employee plans 877-829-5500
Taxpayer Advocate 877-777-4778
Electronic payments 800-555-4477
www.eftps.com

FIRE File 1099s electronically
<https://fire.irs.gov/firev1/>
866-455-7438

Per diem rates for travel www.gsa.gov

OMAHA DISTRICT, UNITED STATES ARMY CORPS OF ENGINEERS (USACE)

The Omaha District's mission is to provide quality service as the Federal Engineer. The district covers all or parts of 10 states (including South Dakota) covering 700,000 square miles. Its mission is as vast as its geographical area of operations - the district's three major missions include Civil Works, Military Construction and Environmental Remediation. It also responds capably in the disaster response arena and has carried out numerous disaster missions following floods, hurricanes, blizzards, tornadoes, earthquakes and terrorist attacks.

We provide business opportunities and counsel members of the Small Business Community for success while establishing a broad base of capable suppliers and service providers to support the Army.

We encourage you to visit our website at: www.nwo.usace.army.mil/html/Q_A/Q_A.htm. This website provides the basic information to help you locate and identify business opportunities, both within the Omaha District as well as the rest of the Federal marketplace. Using a "frequently asked questions" format, along with imbedded links to other sources of information, the site provides easy access to the basic requirements and information needed to locate and identify business opportunities. Those opportunities may lead members of the Small Business Community to becoming a successful Omaha District service provider or supplier.

OMAHA DISTRICT, UNITED STATES ARMY CORPS OF ENGINEERS

1616 Capital Ave.
Omaha, NE 68102
888-835-5971

PRAIRIE FAMILY BUSINESS ASSOCIATION

The Prairie Family Business Association is an outreach program of the University Of South Dakota Beacom School Of Business. The organization's mission is to build

PARTNER'S PAGE

relationships and offer quality educational programs that promote successful businesses and healthy families in South Dakota and the surrounding area.

Implementation of this mission is through a continuous series of life-long educational programs. The cornerstone of these events is the world-class annual Prairie Family Business Conference. Frequent local educational opportunities supplement the Conference. An integral part of all educational programs is networking opportunities where family businesses have the opportunity to learn from each other.

Enhancing the long term survival and success of family businesses in the region is critical when studies show that an estimated 90% of business enterprises are family owned and operated. Addressing issues of ownership, management succession, and family relational and communication matters provides preventative tools to keep the family business healthy.

PRAIRIE FAMILY BUSINESS ASSOCIATION

University of South Dakota
2205 N. Career Ave.
Sioux Falls, SD 57107
605-782-3225
www.fambus.org

RURAL DEVELOPMENT

Rural Development (RD) is composed of the Rural Business-Cooperative Service (RSB), the Rural Housing Service (RHS), and the Rural Utilities Service (RUS). Rural Development offers rural communities financial and technical resources. Rural Development encourages the establishment and growth of rural businesses and cooperatives to provide good jobs and diverse markets; provides access to technical assistance, capital and

credit for quality housing, as well as for modern, essential community facilities and fire fighting equipment; finances the development of electric, telephone, telecommunication, water and wastewater infrastructures to create modern, affordable utilities; and provides information, technical assistance, and, when appropriate, leadership to rural areas to design and carry their own rural development initiatives through community capacity building. For more information, contact:

SOUTH DAKOTA USDA RURAL DEVELOPMENT

200 4th St. S.W.
Federal Bldg., Rm. 210
Huron, SD 57350-2477
605-353-1100
www.rurdev.usda.gov

SOUTH DAKOTA RURAL ENTERPRISE, INC.

South Dakota Rural Enterprise, Inc. is a statewide not-for-profit, intermediary to the development industry in South Dakota. Our purpose is to stimulate financial and human investment in South Dakota communities that invest in themselves.

FINANCIAL PRODUCTS

SD Rural Enterprise's primary financial product is the Capital Investment Fund (CIF): A \$10 million loan fund to development corporations and revolving loan funds. The CIF provides reasonably priced capital to development organizations that is flexible to support local development goals and initiatives.

In addition to the CIF, SD Rural Enterprise has significant capital that leverages outside resources and creates opportunity. Participants in the SD Community Capital Fund leverage local resources through access to national capital markets on a 10:1 basis.

BUILDING HUMAN CAPACITY

LeadershipPlentySD trains individuals in personal leadership skills in the context of community. In this nine session, program participants learn things like how to conduct a good meeting, how to build strategic partnership and how to deal with conflict in organizations and communities.

Creating a Value Added Community brings a group of volunteers together to assess the assets of the community and develop a strategic plan for realizing a shared vision of the future. The program is based in research conducted by the participants and supported through implementation.

Growing Resources and Opportunities from Within (GROW) is strategic planning for development organizations and chambers of commerce. Grounded in solid economic and community development principles, organizations clarify their goals and create an action plan for implementation.

Dakota Rising is designed to spur a renaissance of South Dakota's rural economy through strategic partnerships with local communities to invigorate rural entrepreneurs and their enterprises. Sites commit to creating a culture to support entrepreneurship through specific strategies and activities. Each Site champions applications for the Dakota Rising Rural Entrepreneur Fellowship. Fellows 1) receive a \$10,000 grant for professional and business development; 2) are paired with business mentors and a coach, and 3) engage in a Fellow's cohort for support and accountability. For more information contact:

SOUTH DAKOTA RURAL ENTERPRISE, INC.

629 S. Minnesota Ave., Ste. 201
Sioux Falls, SD 57104
605-978-2804
www.sdrei.org/

VETERANS AFFAIRS (VA)

Mission: To care for him who shall have born the battle and for his widow and his orphan (Abraham Lincoln).

VA Programs - The Sioux Falls VA Medical Center is part of the VA Midwest Health Care Network, which includes facilities in Minnesota, North Dakota, Iowa, Nebraska, and South Dakota. The medical center is a teaching medical center providing a full range of patient care services with state-of-the-art technology, as well as education and research. Healthcare benefits are provided for eligible veterans in eastern South Dakota, northwestern Iowa, and southwestern Minnesota.

The Sioux Falls branch of the Dakotas Regional Office provides veterans' benefits services for South Dakota veterans including disability and survivors' benefits, pension, death benefits, accrued benefits, and entitlement to ancillary benefits (vocational rehabilitation and education). For more information, contact:

SIoux FALLS VA MEDICAL CENTER

2501 W. 22nd St./P.O. Box 5046
Sioux Falls, SD 57105
605-336-3230 or 800-316-8387
www.zz.va.gov

VA DAKOTAS REGIONAL OFFICE

2501 W. 22nd St./P.O. Box 5046
Sioux Falls, SD 57105
605-336-3230 or 800-316-8387

OTHER ASSISTANCE

OTHER SOURCES OF ASSISTANCE

Other Agencies

INS-Immigration & Nat Serv.
www.uscis.gov
INS I9 form 800-870-3676
INS questions 800-357-2099
Multiple agencies-My Money
www.mymoney.gov 1-888-MYMONEY
Social Security Administration
www.socialsecurity.gov/employer
Social Security - W2 e-filing carolyn.
sykes@ssa.gov 303-844-2364
Ask the Experts 800-772-6270
U.S. Dept of Labor posters:
SD career centers
or
www.dol.gov/osbp/sbrefa/poster/matrix.htm

U.S. Government www.firstgov.gov
U.S. Government www.fedworld.gov
U.S. Government business link www.business.gov
South Dakota Government www.state.sd.us
SD-DORR (Dept. of Rev & Reg) www.state.sd.us/drr2/revenue.html
SD-DORR (Dept. of Rev & Reg) 605-773-3311
SD-DOL (Department of Labor) www.state.sd.us/dol/
SD-DOL-Career Centers 605-773-3101
SD-DOL-New hire reporting 888-827-6078
605-626-2942
SD DOL- Unemployment Insurance 605-626-2452
SD-Secretary of State www.sdsos.gov

SD-Office of Econ. Dev. www.sdgreatprofits.com
SD-Workers Compensation www.state.sd.us/dcr/insurance
SD-Workers Compensation 605-773-3563
My own business www.myownbusiness.org

Chambers of Commerce

Chambers of Commerce serve as a central location where the local small business community may obtain information, publications and contact information.

SOUTH DAKOTA CoC AND INDUSTRY

108 N. Euclid Ave./P.O. Box 190
Pierre, SD 57501
605-224-6161
www.sdchamber.biz/

ABERDEEN AREA CoC

516 S. Main/P.O. Box 1179
Aberdeen, SD 57402
605-225-2860
www.aberdeen-chamber.com/

ALCESTER CoC

106 West 2nd
Alcester, SD 57001
605-934-2851

AVON CoC

P.O. Box 88
Avon, SD 57315
605-286-3919
www.avonsd.com

BELLE FOURCHE CoC

415 5th Ave.
Belle Fourche, SD 57717-1435
605-862-2676
http://bellefourche.org/

OTHER ASSISTANCE

BERESFORD CoC

P.O. Box 167
Beresford, SD 57004
605-763-2021
www.bmtc.net/~chamber/

BRANDON VALLEY AREA CoC

109 N. Pipestone Ave./P.O. Box 182
Brandon, SD 57005
605-582-7400
www.brandonvalleychamber.com

BRITTON AREA CoC

P.O. Box 96
Britton, SD 57430
605-448-5323
www.brittonsouthdakota.com

BROOKINGS AREA CoC

2308 E. 6th St./P.O. Box 431
Brookings, SD 57006-0431
605-692-6125
www.BrookingsChamber.org

CANTON AREA COMMERCE ASSOC.

P.O. Box 34
Canton, SD 57013
605-987-5728
www.cantonsouthdakota.com

CENTERVILLE AREA CoC

P.O. Box 266
Centerville, SD 57014
605-563-2345

CHAMBERLAIN-OACOMA AREA CoC

115 W. Lawler
Chamberlain, SD 57325
605-734-4416
www.chamberlainsd.org

CHEYENNE RIVER CoC

P.O. Box 58
Eagle Butte, SD 57625
605-200-1763

CLARK AREA CoC

P.O. Box 163
Clark, SD 57225-0163
605-532-3512
www.clarksd.com

CUSTER COUNTY CoC

615 Washington St.
Custer, SD 57730
605-673-2244
www.custersd.com

DE SMET AREA CoC

P.O. Box 105
De Smet, SD 57231
866-528-7273

DEADWOOD CoC

735 Main St.
Deadwood, SD 57732
605-578-1876
www.deadwood.org

DELL RAPIDS CoC

505 W. Fourth St./P.O. Box 81
Dell Rapids, SD 57022
605-428-4167
www.dellrapids.org

EDGEMONT CoC

P.O. Box 797
Edgemont, SD 57735
605-662-5900
www.edgemont-sd.com

EUREKA CoC

P.O. Box 32
Eureka, SD 57437
605-284-2591

FAITH CoC

206 Main/P.O. Box 246
Faith, SD 57626
605-967-2001
www.gwtc.net/%7Efaithcha/

FLANDREAU CIVIC & COMMERCE ASSOC.

P.O. Box 342
Flandreau, SD 57028
605-997-2353
www.cityofflandreau.com/

FREEMAN CoC

121 E. 3rd St./P.O. Box 634
Freeman, SD 57029
605-925-4444

GETTYSBURG CoC

P.O. Box 33
Gettysburg, SD 57442
605-765-9309

GREGORY CoC

1516 Logan
Gregory, SD 57533
605-835-8711
www.z.com

GROTON AREA CoC

P.O. Box 21
Groton, SD 57445-0021
605-397-2323

HARTFORD CoC

125 N. Main Ave.
Hartford, SD 57033
605-528-6187
www.hartfordsd.us

HILL CITY AREA CoC

324 Main St./P.O. Box 253
Hill City, SD 57745-0253
605-574-2368
www.hillcitysd.com/

HOT SPRINGS AREA CoC

801 S. 6th St.
Hot Springs, SD 57747
605-745-4140
www.hotsprings-sd.com

HURON AREA CoC

15 4th St. S.W.
Huron, SD 57350-2495
605-352-8775
www.huronsd.com

KEYSTONE CoC

P.O. Box 653
Keystone, SD 57751-0653
1-800-456-3345
<http://Keystonechamber.com/>

LAKE PRESTON AREA CoC

103 Third St. N.E.
Lake Preston, SD 57249
605-847-4140 (City Finance Office)

LEAD AREA CoC

640 W. Main St., #A
Lead, SD 57754
605-584-1100
www.leadsd.us

LEMMON AREA CoC

500 A Main Ave.
Lemmon, SD 57638
605-374-5716
www.lemmons.com/

LENNOX CoC

P.O. Box 181
Lennox, SD 57039
605-647-2779
www.cityoflennoxsd.com/

GREATER MADISON AREA CoC

315 S. Egan Ave./P.O. Box 467
Madison, SD 57042-0467
605-256-2454
www.madison.sd.us/chamber

MILBANK AREA CoC

401 S. Main
Milbank, SD 57252
605-432-6656
www.milbanksd.com

MILLER CoC

P.O. Box 152
Miller, SD 57362
605-853-3098

MISSION CoC

P.O. Box 337
Mission, SD 57555
605-856-4499

MITCHELL AREA CoC

601 N. Main St./P.O. Box 1026
Mitchell, SD 57301
605-996-5567
www.cornpalace.org

MOBRIDGE AREA CoC

212 Main St.
Mobridge, SD 57601
605-845-2387
www.mobridge.org

MURDO CoC

P.O. Box 242
Murdo, SD 57559-0242
605-669-3333

ONIDA CoC

P.O. Box 95
Onida, SD 57564
605-258-2641

PHILIP CoC

100 E. Pine St./P.O. Box 378
Philip, SD 57567-0378
605-859-2645

PIERRE AREA CoC

800 W. Dakota/P.O. Box 548
Pierre, SD 57501
605-224-7361
www.pierre.org

PINE RIDGE AREA CoC

c/o The Lakota Trade Center
P.O. Box 375
Kyle, SD 57752
605-455-2685

PLATTE AREA CoC

500 S. Main St./P.O. Box 393
Platte, SD 57369
605-337-2275

PRESHO CoC

P.O. Box 415
Presho, SD 57568
605-895-9445

RAPID CITY AREA CoC

444 N. Mt. Rushmore Rd./P.O. Box 747
Rapid City, SD 57709-0747
605-343-1744
www.rapidcitychamber.com

REDFIELD AREA CoC

626 N. Main St.
Redfield, SD 57469
605-472-0965
www.redfield-sd.com

SCOTLAND CoC

P.O. Box 283
Scotland, SD 57059
605-583-2236

SIoux FALLS AREA CoC

200 N. Phillips Ave., Ste.102/P.O. Box 1425
Sioux Falls, SD 57101-1425
605-336-1620
www.siouxfallschamber.com

SISETON AREA CoC

P.O. Box 221
Sisseton, SD 57262-0221
605-698-7261

SPEARFISH AREA CoC

106 W. Kansas/P.O. Box 550
Spearfish, SD 57783-0550
605-642-2626
www.spearfish.sd.us

SPRINGFIELD CoC

P.O. Box 329
Springfield, SD 57062
605-369-2266

STURGIS AREA CoC

2040 Junction Ave./P.O. Box 504
Sturgis, SD 57785-0504
605-347-2556
www.strugis-sd.org

OTHER ASSISTANCE

TABOR AREA CoC

P.O. Box 64
Tabor, SD 57063-0021
605-589-3388

TYNDALL CoC

P.O. Box 454
Tyndall, SD 57066
605-589-3362

VERMILLION AREA CoC

906 E. Cherry St.
Vermillion, SD 57069
605-624-5571
www.vermillionchamber.com/

VOLGA CoC

P.O. Box 217
Volga, SD 57071
605-627-9113

WAGNER CoC

60 Main Ave SE/P.O. Box 40
Wagner, SD 57380
605-384-3741

WALL BADLANDS AREA CoC

501 Main St./P.O. Box 527
Wall, SD 57790-0527
605-279-2665
www.wall-badlands.com/home.asp

WATERTOWN CoC

1200 33rd St. S.E./P.O. Box 1113
Watertown, SD 57201-6113
605-886-5814
www.watertownsd.com

WEBSTER CoC

513 Main St./P.O. Box 123
Webster, SD 57274-1305
605-345-4668
www.webstersd.com/

WESSINGTON SPRINGS CoC

115 N. Wallace/P.O. Box 132
Wessington Springs, SD 57382-0513
605-539-1929
www.wessingtonsprings.com/

WINNER AREA CoC

P.O. Box 268
Winner, SD 57580-0268
605-842-1533
www.winnersd.org

YANKTON AREA CoC

803 E. 4th St./P.O. Box 588
Yankton, SD 57078
605-665-3636
www.yanktonsd.com

TOP LENDERS

PARTICIPATING PREFERRED LENDERS

Bank of the West
Great Western Bank
Minnwest Bank Sioux Falls
U.S. Bank, N.A.
Wells Fargo Bank, N.A.

PARTICIPATING CERTIFIED LENDERS

American State Bank of Pierre
Bank of the West
BankWest, Inc.
First Bank and Trust
First Dakota National Bank
First Fidelity Bank
First Interstate Bank
First National Bank in Ft. Pierre
First National Bank in Philip
First National Bank South Dakota
First PREMIER Bank
Great Western Bank
Home Federal Bank
Minnwest Bank Sioux Falls
Pioneer Bank & Trust
The First National Bank in Sioux Falls
U.S. Bank National Association
Wells Fargo Bank N.A.

PARTICIPATING SBAEXPRESS LENDERS

Aberdeen Federal Credit Union
American State Bank of Pierre
Bank of the West
BankWest, Inc.
Black Hills Community Bank, N.A.
Black Hills Federal Credit Union
Commercial State Bank of Wagner
CorTrust Bank
National Association
CorTrust Bank
National Association
Dacotah Bank
DNB National Bank
First Bank & Trust
First Dakota National Bank
First Fidelity Bank
First Interstate Bank

First National Bank In Ft. Pierre
First National Bank In Philip
First National Bank South Dakota
First PREMIER Bank
First Savings Bank
Frontier Bank
Great Western Bank
Heartland State Bank
Home Federal Bank
MetaBank
Minnwest Bank Sioux Falls
Peoples State Bank
Pioneer Bank & Trust
Quoin Financial Bank
Reliabank Dakota
Roberts County National Bank of Sisseton
Security National Bank of South Dakota
Sioux Falls Federal Credit Union
South Dakota Board of Economic Development
The First National Bank in Sioux Falls
The First National Bank Volga
U.S. Bank National Association
Wells Fargo Bank, NA

PARTICIPATING PATRIOT EXPRESS LENDERS

Aberdeen Federal Credit Union
American State Bank of Pierre
Andes State Bank
BankWest, Inc.
Black Hills Community Bank, N.A.
Black Hills Federal Credit Union
Commercial State Bank of Wagner
CorTrust Bank
National Association
Dacotah Bank
DNB National Bank
First Bank & Trust
First Dakota National Bank
First Fidelity Bank
First Interstate Bank
First National Bank, Ft. Pierre
First National Bank in Philip

First National Bank South Dakota
First PREMIER Bank
First Savings Bank
Frontier Bank
Great Western Bank
Home Federal Bank
MetaBank
Minnwest Bank Sioux Falls
Peoples State Bank
Quoin Financial Bank
Reliabank Dakota
Roberts County National Bank of Sisseton
Security National Bank of South Dakota
Sioux Falls Federal Credit Union
The First National Bank in Sioux Falls
The First National Bank of Volga
U.S. Bank National Association
Wells Fargo Bank, National Association

ALL PARTICIPATING LENDERS BY CITY

ABERDEEN FEDERAL CREDIT UNION

Aberdeen 605-225-2488

CORTRUST BANK, N.A.

Aberdeen 605-229-5069

DACOTAH BANK

Aberdeen 605-225-5611

FIRST STATE BANK

Aberdeen 605-225-1400

GREAT PLAINS BANK

Aberdeen 605-725-9400

GREAT WESTERN BANK

Aberdeen 605-229-2634

HOME FEDERAL SAVINGS BANK

Aberdeen 605-225-5277

PLAINS COMMERCE BANK

Aberdeen 605-225-7548

U.S. BANK, N.A.

Aberdeen 605-226-4100

WELLS FARGO BANK, N.A.

Aberdeen 605-225-2220

STATE BANK OF ALCESTER

Alcester 605-934-2500

SECURITY STATE BANK

Alexandria 605-239-4306

AMERICAN BANK & TRUST

Alpena 605-849-3249

CITIZENS STATE BANK

Arlington 605-983-5594

CORTRUST BANK, N.A.

Arlington 605-983-5631

FIRST STATE BANK

Armour 605-724-2155

CORTRUST BANK, N.A.

Artesian 605-527-2217

COMMUNITY BANK

Avon 605-286-3213

THE FIRST NATIONAL BANK

In Sioux Falls 605-782-5940

FIRST INTERSTATE BANK

Belle Fourche 605-892-2041

PIONEER BANK & TRUST

Belle Fourche 605-892-2536

WELLS FARGO BANK, N.A.

Belle Fourche 605-892-2652

BANK 360

Beresford 605-763-2135

FIRST SAVINGS BANK

Beresford 605-763-2009

WELLS FARGO BANK, N.A.

Beresford 605-763-2110

FIRST STATE BANK

Big Stone City 605-862-7676

DACOTAH BANK

Bison 605-244-5261

WELLS FARGO BANK, N.A.

Black Hawk 605-787-9224

DAKOTA STATE BANK

Blunt 605-962-6231

FIRST FIDELITY BANK

Bonesteel 605-654-2633

CORTRUST BANK, N.A.

Bowdle 605-285-6323

FIRST STATE BANK OF ROSCOE

Bowdle 605-285-6400

WELLS FARGO BANK, N.A.

Box Elder 605-394-3940

DACOTAH BANK

Bradley 605-784-3602

HOME FEDERAL BANK

Brandon 605-582-2311

THE FIRST NATIONAL BANK

In Sioux Falls 605-782-5960

FARMERS STATE BANK

Bridgewater 605-729-2582

FIRST SAVINGS BANK

Bristol 605-492-3621

BERESFORD BANCORPORATION, INC.

Britton 605-448-2643

FIRST SAVINGS BANK

Britton 605-448-2271

WELLS FARGO BANK, N.A.

Britton 605-448-2294

BANKSTAR FINANCIAL

Brookings 605-692-3636

DACOTAH BANK

Brookings 605-692-8600

FIRST BANK AND TRUST

Brookings 605-692-2200

HOME FEDERAL BANK

Brookings 605-692-7100

METABANK

Brookings 605-692-2314

THE FIRST NATIONAL BANK

OF VOLGA 605-692-9292

WELLS FARGO BANK, N.A.

Brookings 605-692-6245

RICHLAND STATE BANK

Bruce 605-627-5671

BRYANT STATE BANK

Bryant 605-628-2171

PIONEER BANK & TRUST

Buffalo 605-375-3221

FIRST FIDELITY BANK

Burke 605-775-2641

THE SECURITY STATE BANK

Canistota 605-296-3481

MINER COUNTY BANK

Canova 605-523-2221

FARMERS STATE BANK

OF CANTON 605-987-2671

FIRST BANK & TRUST, N.A.

Canton 605-987-2781

TOP LENDERS

HOME FEDERAL BANK Canton 605-987-2668	WELLS FARGO BANK, N.A. De Smet 605-854-9188	WELLS FARGO BANK, N.A. Groton 605-397-2301	WESTERN DAKOTA BANK Isabel 605-466-2139	GREAT WESTERN BANK Milbank 605-432-1500
FARMERS & MERCHANTS STATE BANK Carthage 605-772-4477	DAKOTA PRAIRIE BANK Draper 605-669-2401	THE FIRST NATIONAL BANK IN SIOUX FALLS Harrisburg 605-782-5880	LIBERTY NATIONAL BANK Jefferson 605-966-5551	WELLS FARGO BANK, N.A. Milbank 605-432-4521
CITIZENS STATE BANK Castlewood 605-793-9500	1ST FINANCIAL BANK USA Dupree 605-365-5191	HOME FEDERAL BANK Harrisburg 605-743-5826	BANKWEST INC. Kadoka 605-837-2281	AMERICAN BANK & TRUST Miller 605-853-3051
FIRST PREMIER BANK Castlewood 605-793-2555	STATE BANK OF EAGLE BUTTE Eagle Butte 605-964-3411	HOME FEDERAL BANK Hartford 605-528-7428	FARMERS STATE BANK Kaylor 605-583-4471	QUOIN FINANCIAL BANK Miller 605-853-2473
FIRST MIDWEST BANK Centerville 605-563-2207	WESTERN DAKOTA BANK Eagle Butte 605-964-6300	RELIABANK DAKOTA Hartford 605-528-4000	BANKWEST INC. Kennebec 605-869-2211	WELLS FARGO BANK, N.A. Mission 605-856-4414
FIRST DAKOTA NATIONAL BANK Chamberlain 605-734-5555	GREAT PLAINS BANK Eden 605-486-4831	U.S. BANK, N.A. Hartford 605-528-3233	FIRST DAKOTA NATIONAL BANK Kimball 605-778-6218	BANKWEST INC. Mitchell 605-995-5059
GREAT WESTERN BANK Chamberlain 605-734-6531	FIRST INTERSTATE BANK Edgemont 605-662-2265	RELIABANK DAKOTA Hayti 605-783-3616	FIRST PREMIER BANK Kranzburg 605-886-8147	CORTRUST BANK, N.A. Mitchell 605-996-7775
WELLS FARGO BANK, N.A. Chamberlain 605-734-6002	BANK 360 Elk Point 605-356-0289	RELIABANK DAKOTA Hazel 605-628-2961	ANDES STATE BANK Lake Andes 605-487-7611	FIRST DAKOTA NATIONAL BANK Mitchell 605-996-3364
DAKOTA HERITAGE STATE BANK Chancellor 605-647-2228	LIBERTY NATIONAL BANK Elk Point 605-356-2611	FIRST SAVINGS BANK Hecla 605-994-2311	FIRST PREMIER BANK Lake Norden 605-785-3666	FIRST NATIONAL BANK SD Mitchell 605-996-7755
FIRST STATE BANK Claremont 605-294-5211	BANKSTAR FINANCIAL Elkton 605-542-2681	DACOTAH BANK Henry 605-532-3672	FIRST NATIONAL BANK Lake Preston 605-847-4411	FULTON STATE BANK Mitchell 605-996-1000
BANK OF THE WEST Clark 605-532-3633	THE SECURITY STATE BANK Emery 605-449-4261	CAMPBELL COUNTY BANK, INC. Herreid 605-437-2294	FIRST STATE BANK Langford 605-493-6474	HOME FEDERAL BANK Mitchell 605-996-8100
DACOTAH BANK Clark 605-532-3626	RELIABANK DAKOTA Estelline 605-873-2261	HEARTLAND STATE BANK Highmore 605-852-2177	FIRST INTERSTATE BANK Lead 605-717-9340	U.S. BANK, N.A. Mitchell 605-996-5814
DNB NATIONAL BANK Clear Lake 605-874-2191	GREAT PLAINS BANK Eureka 605-284-2633	QUOIN FINANCIAL BANK Highmore 605-852-2251	FIRST NATIONAL BANK Lead 605-584-2622	WELLS FARGO BANK, N.A. Mitchell 605-995-3500
WELLS FARGO BANK, N.A. Clear Lake 605-874-2248	FARMERS STATE BANK Faith 605-967-2191	FIRST INTERSTATE BANK Hill City 605-574-2531	WELLS FARGO BANK, N.A. Lead 605-584-3744	DACOTAH BANK Mobridge 605-845-3673
HOME FEDERAL BANK Colman 605-534-3553	DACOTAH BANK Faulkton 605-598-6211	FARMERS STATE BANK Hosmer 605-283-2201	BANK OF THE WEST Lemmon 605-374-3831	GREAT WESTERN BANK Mobridge 605-845-7233
FIRST FIDELITY BANK Colome 605-842-0525	THE FIRST NATIONAL BANK IN SIOUX FALLS Flandreau 605-997-2484	BLACK HILLS FEDERAL CREDIT UNION Hot Springs 605-745-4212	DACOTAH BANK Lemmon 605-374-3853	WELLS FARGO BANK, N.A. Mobridge 605-845-3652
U.S. BANK, N.A. Colton 605-446-3118	FIRST SAVINGS BANK Flandreau 605-997-3741	BANK OF THE WEST Hot Springs 605-745-3115	HOME FEDERAL BANK Lennox 605-647-2818	SECURITY STATE BANK Montrose 605-363-5104
FIRST STATE BANK Columbia 605-396-2341	PEOPLES STATE BANK Florence 605-758-2175	FIRST INTERSTATE BANK Hot Springs 605-745-6060	VALLEY EXCHANGE BANK Lennox 605-647-2261	GREAT WESTERN BANK Morristown 605-524-3613
PLAINS COMMERCE BANK Conde 605-382-5251	DAKOTA PRAIRIE BANK Fort Pierre 605-223-2337	WELLS FARGO BANK, N.A. Hot Springs 605-745-4121	CORTRUST BANK, N.A. Leola 605-439-3222	CORTRUST BANK, N.A. Mount Vernon 605-236-5211
BANK OF THE WEST Corsica 605-946-5441	FIRST NATIONAL BANK Fort Pierre 605-223-3460	PLAINS COMMERCE BANK Hoven 605-948-2216	CORTRUST BANK, N.A. Letcher 605-248-2233	BANKWEST INC. Murdo 605-669-3031
DACOTAH BANK Cresbard 605-324-3601	FIRST NATIONAL BANK Frederick 605-329-2455	MINER COUNTY BANK Howard 605-772-4561	WELLS FARGO BANK, N.A. Lower Brule 605-473-9280	FIRST FIDELITY BANK Murdo 605-669-2492
HOME FEDERAL BANK Crooks 605-543-5660	CORTRUST BANK, N.A. Freeman 605-925-4226	PREMIER BANK Hudson 605-984-2241	FIRST BANK & TRUST, N.A. Madison 605-256-9191	FIRST NATIONAL BANK Murdo 605-669-2414
DACOTAH BANK Custer 605-673-5800	HOME FEDERAL BANK Freeman 605-925-4239	RELIABANK DAKOTA Humboldt 605-363-3808	GREAT WESTERN BANK Madison 605-256-6532	DACOTAH BANK New Effington 605-637-5251
FIRST INTERSTATE BANK Custer 605-673-2215	MERCHANTS STATE BANK Freeman 605-925-4222	MERCHANTS STATE BANK Hurley 605-238-5255	WELLS FARGO BANK, N.A. Madison 605-256-6532	FIRST INTERSTATE BANK New Underwood 605-754-6421
1ST FINANCIAL BANK USA Dakota Dunes 605-232-9310	FULTON STATE BANK Fulton 605-996-5731	AMERICAN BANK & TRUST Huron 605-352-9122	CORTRUST BANK, N.A. Madison 605-256-8101	FIRST NATIONAL BANK Newell 605-456-2693
HOME FEDERAL BANK Dakota Dunes 605-232-4420	GREAT WESTERN BANK Garden City 605-532-3646	BANK OF THE WEST Huron 605-352-8675	MANSFIELD STATE BANK Mansfield 605-887-3454	LIBERTY NATIONAL BANK North Sioux City 605-232-4341
SECURITY NATIONAL BANK OF SD Dakota Dunes 605-232-6060	FIRST BANK AND TRUST Garretson 605-594-3423	DAKOTALAND FEDERAL CREDIT UNION Huron 605-352-2845	FARMERS STATE BANK Marion 605-648-3683	AMERICAN STATE BANK Oldham 605-482-8293
FIRST INTERSTATE BANK Deadwood 605-578-1792	DNB NATIONAL BANK Gary 605-272-5233	FIRST NATIONAL BANK Huron 605-353-6898	SECURITY FIRST BANK Martin 605-685-6776	BANKWEST INC. Onida 605-258-2656
WELLS FARGO BANK, N.A. Deadwood 605-578-3401	CORTRUST BANK, N.A. Gayville 605-267-4487	FIRST NATIONAL BANK SD Huron 605-352-8601	GREAT WESTERN BANK McIntosh 605-273-4501	SUNRISE BANK DAKOTA Onida 605-258-2641
HOME FEDERAL BANK Dell Rapids 605-428-3076	FIRST STATE BANK Geddes 605-337-3333	WELLS FARGO BANK, N.A. Huron 605-352-8631	FIRST NATIONAL BANK McLaughlin 605-823-4433	FARMERS STATE BANK Parker 605-297-3683
THE FIRST NATIONAL BANK IN SIOUX FALLS Dell Rapids 605-782-5980	BANK OF THE WEST Gettysburg 605-765-2441	IPSWICH STATE BANK Ipswich 605-426-6031	AMERICAN BANK & TRUST Mellette 605-887-3471	FIRST SAVINGS BANK Parker 605-297-4475
WELLS FARGO BANK, N.A. Dell Rapids 605-428-5654	GREAT WESTERN BANK Gettysburg 605-765-2491	WELLS FARGO BANK, N.A. Irene 605-263-3355	MENNO STATE BANK Menno 605-387-5111	HOME FEDERAL BANK Parker 605-297-4479
FIRST STATE BANK Delmont 605-779-2551	BANKWEST INC. Gregory 605-835-9692	FARMERS & MERCHANTS STATE BANK Iroquois 605-546-2544	BANKWEST INC. Midland 605-843-2566	FARMERS STATE BANK Parkston 605-928-7991
PEOPLES STATE BANK De Smet 605-854-3321	FIRST FIDELITY BANK Gregory 605-835-9627		FIRST NATIONAL BANK Midland 605-843-2518	FIRST DAKOTA NATIONAL BANK Parkston 605-928-3077
	FIRST STATE BANK Groton 605-397-2711		FIRST BANK & TRUST Milbank 605-432-5111	FIRST NATIONAL BANK IN PHILIP Philip 605-859-2525



CORTRUST BANK, N.A.
Pierpont 605-325-3231

AMERICAN STATE BANK OF PIERRE
Pierre 605-224-9233

BANKWEST INC.
Pierre 605-224-7391

DAKOTA STATE BANK
Pierre 605-224-4567

DELTA TRUST
Pierre 605-224-4001

FIRST NATIONAL BANK
Pierre 605-945-3970

HOME FEDERAL BANK
Pierre 605-224-5817

U.S. BANK, N.A.
Pierre 605-945-2133

WELLS FARGO BANK, N.A.
Pierre 605-224-6460

FARMERS & MERCHANTS STATE BANK
Plankinton 605-942-7781

BANK OF THE WEST
Platte 605-337-3331

FIRST FIDELITY BANK
Platte 605-337-3352

CAMPBELL COUNTY BANK, INC.
Pollock 605-889-2311

BANKWEST INC.
Presho 605-895-9422

DAKOTA PRAIRIE BANK
Presho 605-895-2595

AMERICAN STATE BANK
Ramona 605-482-8691

BANKWEST INC.
Rapid City 605-399-2265

BLACK HILLS COMMUNITY BANK, N.A.
Rapid City 605-343-2422

BLACK HILLS FEDERAL CREDIT UNION
Rapid City 605-343-0891

DACOTAH BANK
Rapid City 605-342-3100

FIRST INTERSTATE BANK
Rapid City 605-718-2265

FIRST NATIONAL BANK
Rapid City 605-399-0990

FIRST WESTERN FEDERAL SAVINGS BANK
Rapid City 605-341-1203

GREAT WESTERN BANK
Rapid City 605-343-9230

PIONEER BANK & TRUST
Rapid City 605-399-1510

SECURITY FIRST BANK
Rapid City 605-399-2740

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Rapid City 605-394-2022

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Rapid City 605-394-3800

BANK OF THE WEST
Redfield 605-472-1600

GREAT WESTERN BANK
Redfield 605-472-2200

HEARTLAND STATE BANK
Redfield 605-475-5500

WELLS FARGO BANK, N.A.
Redfield 605-472-0220

FIRST STATE BANK OF ROSCOE
Roscoe 605-287-4451

GREAT WESTERN BANK
Rosholt 605-537-4211

DACOTAH BANK
Roslyn 605-486-4518

FIRST DAKOTA NATIONAL BANK
Salem 605-425-3111

THE FARMERS & MERCHANTS STATE BANK
Scotland 605-583-2234

BANKWEST INC.
Selby 605-649-7272

CITIZENS STATE BANK
Sinai 605-826-4151

COMMUNITY TRUST
Sioux Falls 605-330-0443

CORTRUST BANK, N.A.
Sioux Falls 605-361-8356

DACOTAH BANK
Sioux Falls 605-331-4000

FIRST BANK & TRUST, N.A.
Sioux Falls 605-978-9300

FIRST DAKOTA NATIONAL BANK
Sioux Falls 605-333-8200

FIRST MIDWEST BANK
Sioux Falls 605-361-1010

FIRST NATIONAL BANK SOUTH DAKOTA
Sioux Falls 605-271-7300

FIRST PREMIER BANK
Sioux Falls 605-357-3000

FIRST SAVINGS BANK
Sioux Falls 605-373-9840

FRONTIER BANK
Sioux Falls 605-331-2889

GREAT WESTERN BANK
Sioux Falls 605-334-2548

HOME FEDERAL BANK
Sioux Falls 605-336-2470

LIBERTY NATIONAL BANK
Sioux Falls 605-362-1272

METABANK
Sioux Falls 605-977-7500

MINNWEST BANK SIOUX FALLS
Sioux Falls 605-362-7070

PLAINS COMMERCE BANK
Sioux Falls 605-275-2467

QUOIN FINANCIAL BANK
Sioux Falls 605-275-5000

SECURITY NATIONAL BANK OF SOUTH DAKOTA
Sioux Falls 605-977-9000

SIOUX FALLS FEDERAL CREDIT UNION
Sioux Falls 605-334-2471

TARGET NATIONAL BANK
Sioux Falls 605-362-4400

THE FIRST NATIONAL BANK IN SIOUX FALLS
Sioux Falls 605-335-5200

U.S. BANK, N.A.
Sioux Falls 605-339-8600

WELLS FARGO BANK, N.A.
Sioux Falls 605-575-6900

DACOTAH BANK
Sisseton 605-698-3978

ROBERTS COUNTY NATIONAL BANK OF SISSETON
Sisseton 605-698-7621

WELLS FARGO BANK, N.A.
Sisseton 605-698-3955

BLACK HILLS FEDERAL CREDIT UNION
Spearfish 605-642-8161

FIRST INTERSTATE BANK
Spearfish 605-717-0727

GREAT WESTERN BANK
Spearfish 605-642-2232

PIONEER BANK & TRUST
Spearfish 605-642-2725

WELLS FARGO BANK, N.A.
Spearfish 605-642-2723

SECURITY STATE BANK
Spencer 605-246-2335

FIRST SAVINGS BANK
Springfield 605-369-5417

FARMERS STATE BANK
Stickney 605-732-4264

FIRST BANK & TRUST
Stockholm 605-676-2321

FIRST INTERSTATE BANK
Sturgis 605-347-2562

FIRST NATIONAL BANK
Sturgis 605-347-4416

WELLS FARGO BANK, N.A.
Sturgis 605-347-2584

FIRST INTERSTATE BANK
Summerset 605-718-5290

PEOPLES STATE BANK
Summit 605-398-6111

CORTRUST BANK, N.A.
Tabor 605-463-2577

RELIABANK DAKOTA
Tea 605-498-3683

VALLEY EXCHANGE BANK
Tea 605-368-2051

WESTERN DAKOTA BANK
Timber Lake 605-865-3516

FIRST BANK & TRUST
Toronto 605-794-4811

FIRST STATE BANK
Tripp 605-935-6561

HEARTLAND STATE BANK
Tulare 605-596-4123

FARMERS STATE BANK
Turton 605-897-6532

SECURITY STATE BANK
Tyndall 605-589-3313

FIRST SAVINGS BANK
Veblen 605-738-2123

BANK OF THE WEST
Vermillion 605-624-4431

CORTRUST BANK, N.A.
Vermillion 605-624-4461

FIRST BANK AND TRUST
Vermillion 605-624-2608

FIRST DAKOTA NATIONAL BANK
Vermillion 605-624-5555

WELLS FARGO BANK, N.A.
Vermillion 605-624-6858

MERCHANTS STATE BANK
Viborg 605-766-4255

WELLS FARGO BANK, N.A.
Viborg 605-326-5226

BANKWEST INC.
Vivian 605-683-4141

THE FIRST NATIONAL BANK OF VOLGA
Volga 605-627-9121

COMMERCIAL STATE BANK
Wagner 605-384-3646

FIRST DAKOTA NATIONAL BANK
Wagner 605-384-5456

FIRST PREMIER BANK
Wakonda 605-267-2665

BLACK HILLS FEDERAL CREDIT UNION
Wall 605-279-2919

FIRST INTERSTATE BANK
Wall 605-279-2141

FIRST STATE BANK
Warner 605-225-9605

DACOTAH BANK
Watertown 605-886-0645

FIRST BANK & TRUST, N.A.
Watertown 605-882-8320

FIRST PREMIER BANK
Watertown 605-882-2300

GREAT WESTERN BANK
Watertown 605-886-8401

HOME FEDERAL BANK
Watertown 605-886-4499

PLAINS COMMERCE BANK
Watertown 605-886-6966

RELIABANK DAKOTA
Watertown 605-886-6000

WELLS FARGO BANK, N.A.
Watertown 605-886-8466

FIRST SAVINGS BANK
Waubay 605-947-4541

CORTRUST BANK, N.A.
Webster 605-345-3342

DACOTAH BANK
Webster 605-345-3306

GREAT WESTERN BANK
Webster 605-345-4671

HEARTLAND STATE BANK
Wessington 605-458-2255

AMERICAN BANK & TRUST
Wessington Springs 605-539-1222

FIRST BANK OF WHITE
White 605-629-2471

FARMERS & MERCHANTS STATE BANK
White Lake 605-249-2221

WELLS FARGO BANK, N.A.
White River 605-259-3138

DACOTAH BANK
Willow Lake 605-625-3316

FIRST STATE BANK
Wilmot 800-555-7556

BANKWEST, INC.
Winner 605-842-3004

FIRST FIDELITY BANK
Winner 605-842-3811

WELLS FARGO BANK, N.A.
Winner 605-842-1313

AMERICAN BANK & TRUST
Wolsey 605-883-4112

FIRST NATIONAL BANK SD
Woonsocket 605-796-4422

BANK 360
Yankton 605-665-8000

CORTRUST BANK, N.A.
Yankton 605-665-6423

FIRST DAKOTA NATIONAL BANK
Yankton 605-665-7432

FIRST NATIONAL BANK SOUTH DAKOTA
Yankton 605-665-9611

HOME FEDERAL BANK
Yankton 605-665-8205

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Yankton 605-665-9677

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