

VETERANS BUSINESS PLANNING GUIDE



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The mission of the US SBA Office of Veterans Business Development is to maximize the availability, applicability and usability of all administration small business programs for Veterans, Service-Disabled Veterans, Reserve Component Members, National Guard and their Dependents or Survivors.

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A LETTER TO VETERANS

Dear Veteran:

If you are reading this book, you have taken a major step toward meeting your goals and enhancing your chances of becoming a successful entrepreneur. This guide will outline the steps to follow and suggest actions to consider.

Some programs described here are specifically designed to aid veterans and disabled veterans; others are available to the general public. Consider exploring the entire gamut of programs: local, state, and federal.

A new business requires a concerted and collective effort. In New York State, we have found success by exploring as many programs as possible for veterans. This is especially important if you're trying to develop investment capital for a business venture. Sufficient capital can be a major stumbling block to opening a business. You will find described in this guide potential funding sources for veterans and disabled veterans, as well as other governmental resources.

Any potential business owner should have a comprehensive plan. The ensuing chapters will help you put together a complete plan. It requires the diligence you learned in the service as well as the high level of commitment you have already demonstrated. Entrepreneurship is not for the faint of heart and will be very demanding of you and your family.

In the end, however, starting your own business can help you achieve a high level of independence, and offer a legitimate opportunity to excel and reach achievable goals.

This guide is designed to help you on your journey.

You should take advantage of every possible source of assistance. The Small Business Development Center (SBDC) in your area can be the springboard you need to become a successful entrepreneur. You will find the SBDC to be wonderful advocates, and, along with your veterans' service representative, key to achieving your goals.

Good luck on your journey.

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VETERANS' BUSINESS CONSIDERATIONS

Potential Funding Sources

There are many misconceptions concerning the availability of “free grants” or outright “gifts” of money for business ventures. Everyone who attempts to start a business is judged on their own merits and the merits of their business idea. The required profile for obtaining funds can be very complex and quite narrow.

Even though the pool of funds is highly competitive for all small businesses, there are several major points to remember. Each funding source has its own criteria. You always need to show a track record or working knowledge of the specific business. Some businesses require certain credentials. Many funding sources are specific to locale, race, gender, etc. Other funding sources require that you undertake a specific business, hiring a certain number of employees. In these cases, your project’s primary focus must be impact on the local economy through the creation and saving of jobs and the generation of other funds.

In the last few years, federal and state funding entities have instituted small business loan programs earmarked for military veterans and members of the active military. Your active or retired military status means that you may qualify for one or more of these loan programs.

For example, the U.S. Small Business Administration now has a Patriot Express Loan Initiative for eligible U.S. military community members--including veterans, service-disabled veterans, active-duty service members eligible for the military’s Transition Assistance Program, Reservists, and National Guard members, as well as their current spouses, and the widowed spouses of service members or veterans who have died during service or of service-connected disabilities.

In addition, if you are a resident of New York State, you may qualify for the New York Business Development Corporation’s (NYBDC) Veterans Loan Program. The program offers term loans at a below-market fixed rate to current or former members of the armed forces. Other states may offer similar programs.

Learn more about both SBA and NYBDC veteran loan programs by consulting Section III of this Planning Guide.

Both of these programs reflect an awareness of the importance of contributions of military personnel to the preservation of our way of life. But it is important to point out that active, reserve, or retired military status does not automatically qualify you for this special funding. You must demonstrate you have a sound business idea and strategy, and you must display those practical traits that are essential to business success. Your SBDC Veterans Business Advisor can help you sort through these issues and answer your questions about eligibility and other matters.

So, as a veteran, you may be eligible for special treatment. The rest of this section addresses how you may qualify for such consideration. You should be aware of all programs that exist for veterans and then make use of them.

Big Business vs. Small Business

Certain projects have been funded by the government because these projects have had significant economic impact. For example, the loss of manufacturing jobs in the Northeast United States, and New York State in particular, has been a major source of concern. Today, at local, regional, and state levels of government in New York State, there is a movement to restore manufacturing jobs.

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Many studies substantiate that better than 90 percent of people employed work for small business. The generally accepted definition of a small business is one that employs fewer than 100 people. Throughout all 50 states, the Small Business Administration (SBA) has developed a network of Small Business Development Centers (SBDC) to provide assistance to small business owners. Today, SBDC offices are found all around New York State.

The NYS Small Business Development Center

The Small Business Development Center has been in existence in New York State since 1984. To support small businesses, the SBDC has taken a lead role in developing methods of creative financing for loan applicants.

As an indication of its success in serving veteran clients, the NYS SBDC in 1999 became the site of an SBA Veterans' Business Outreach Center (VBOC). VBOC provides targeted business counseling and training for veterans interested in starting businesses, as well as those who own existing businesses. Veteran business advisors at three SBDC regional centers serve Long Island and New York City, the greater Capital District, and Western New York, and provide guidance for business advisors serving veterans in other parts of the state. All three SBDC Veteran Business Advisors are themselves veterans of the US armed services. In 2010, the SBA renewed New York's VBOC contract.

The SBDC has worked cooperatively with veterans' organizations in an important joint effort to help veteran entrepreneurs acquire capital to create or expand their businesses.

Business counselors know that businesses fail because of lack of business management skills and money. This is why they refer veterans to the SBDC. At SBDC Regional Centers, trained staff provide technical assistance for start-up and small business firms. The SBDC places special emphasis on providing services for veterans, offering focused one-on-one counseling or targeted training and instructional programs.

Funding Sources That Have Proven Successful

Not all resources listed here will apply to everyone. You may be able to add to the list. The intention here is to cite programs that have been most successful in providing assistance to all types of veteran applicants. Quite often, it is possible to combine two, three, or four of these programs to benefit a client.

The SBDC requires that all potential clients start by completing a "Business Profile Questionnaire," with a section that identifies special categories: woman-owned, minority-owned, veteran-owned, disabled, eligible for/or currently receiving assistance, and any other information relevant in identifying a special interest group.

We highly recommend that all veterans complete this form. Many veterans fall under several of these categories. (A veteran applicant could be female, minority, and disabled, for example.) Each designation could qualify the veteran for potential funding. At the very least, in New York State, the veteran would be eligible to be considered for support by the following: Adult Career and Continuing Education Services - Vocational Rehabilitation (ACCES-VR); Empire State Development; and the Social Security Administration.

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Here are several examples of how such coordination of funding sources can work:

The U.S. Small Business Administration

The Small Business Administration is a federal agency that supports small businesses throughout the United States. It also supports Service Corps of Retired Executives (SCORE), a volunteer group of retired executives that provides free counseling.

All SBDCs in the country receive some form of financial support from the SBA. SBDC business counseling is free, and there is no limit to the number of counseling hours. The SBDC helps clients find financial support and provides business counseling.

Based on certain conditions, the Small Business Administration could guarantee a loan of the applicant with any lending institution willing to grant the deal. The merits of each applicant are judged on the basis of various standards, including a collateral position for the Small Business Administration, an in-depth business plan, and the ability to repay the debt in an appropriate time frame. The loan rate is subject to negotiation between the client and lending institution.

The Small Business Administration only guarantees loans and doesn't make direct loans anymore. Direct loans were once made, in particular to disabled veterans, through a program called Handicapped Assistance Loans (HAL). No one can predict if the direct loan program may someday return. You may want to check on that possibility in the future.

At least seven Small Business Administration programs may be especially applicable to the veteran: the 7A, 8A, 504, Patriot Express Loan, and SBAExpress. Contact the SBDC for more information.

- The **Patriot Express Loan Program** is offered by SBA's nationwide network of participating lenders and features fast turnaround time for loan approvals, as well as the SBA's lowest interest rates for business loans. Patriot Express loans can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory or real-estate purchases.
- The **7A program** is the major SBA vehicle to guarantee an applicant's loan. The SBA can guarantee a project of up to \$1 million, or 80 percent, of the project. There must be a funding source (bank, savings and loan) that is an active participant and that makes a formal request to the SBA. To qualify, veterans should be working with counselors at Veteran Affairs and the SBDC.
- The **SBA 8A program** is for those individuals already in business but at a disadvantage in the marketplace. Generally, this type of loan is reserved for women and minorities. A strong case can also be made for disabled veteran applicants who can prove that their condition puts them at a distinct disadvantage. This program, which deals with government procurement, requires filing a specific application with the SBA. By filing the application, you could be awarded special status and allowed a privileged status in bidding on government work.
- The **SBA 504 program** might be an appropriate loan package to consider if your business venture requires any type of building or structure. In the 504 program—also called the “brick and mortar” program—your two “partners,” SBA and the lending institution, want to see tangible assets. Your building can provide this strong collateral base. The financial obligation is distributed—10 percent (you), 40 percent (the SBA), and 50 percent (the lending institution). SBDC files contain many instances of veteran entrepreneurs who have taken advantage of this great opportunity to provide only 10 percent of the financial backing for their venture. (You can put up more if you like, but 10 percent is the required minimum.) Using the 504 program, combined with a good profile, you could obtain \$700,000 in funding for only \$70,000 in collateral, based upon the appraised value of your building.

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- The **NYBDC Veteran Loan Program** provides term loans at a below market fixed rate for veterans. Eligible borrowers must be NY businesses where the majority owner is a NYS resident who is also a member or honorably discharged veteran of the US Armed Forces. The maximum loan amount is \$150,000.
- The **SBA Micro Loan** provides very small loans to start-up, newly established, or growing small businesses. The SBA makes funds available to nonprofit community based lenders which in turn make loans to eligible borrowers in amounts up to a maximum of \$35,000.
- The **Military Reservists Economic Injury Disaster Loan (MREIDL)** is for eligible small businesses facing financial needs because an owner or an essential employee is called to active duty. Loans up to \$1.5 million for a maximum of 30 years are available at an interest rate not to exceed four percent.
- **SBAExpress** encourages lenders to make more small loans to small businesses. Participating lenders use their own documentation and procedures to approve, service, and liquidate loans of up to \$250,000. In return, the SBA guarantees up to 50 percent of each loan. *SBAExpress* lenders can also offer revolving lines of credit to borrowers.
- **VetFran** - Launched by the International Franchise Association (IFA), VetFran provides financial incentives to aid veterans in acquiring a franchise of their choosing from more than 160 participating companies.

U.S. Social Security Administration

A disabled veteran might receive VA funding and federal benefits from Social Security—either Social Security Disability or Supplemental Security Income (SSI)—at the same time. These funds can be applied toward a Plan for Achieving Self- Support (PASS).

A regular monthly Social Security benefit payment, of course, significantly enhances cash flow. As an income and resource exclusion, PASS allows a disabled veteran to set aside income and/or resources (including Social Security) for a work goal or for starting a business. PASS can also help establish or maintain Supplemental Security Income eligibility and increase or help maintain Supplemental Security Income payments. Exclusion of income can be granted for up to 18 months. This period can be extended by another 18 months if deemed necessary.

Adult Career & Continuing Education Services - Vocational Rehabilitation (ACCES-VR)

The disabled veteran who wants to submit a PASS plan for consideration should also consider the New York State Office of Adult and Educational Services for Individuals with Disabilities (ACCES-VR). This government agency provides the disabled veteran with up to \$11,000 to help acquire or start up a business. The money must be for tangible objects, and property ownership remains with NYS ACCES-VR. The disabled veteran must demonstrate that the business and cash flow are stable. Generally, a period of six months or more is needed to measure business success. The property will be signed off from NYS ACCES-VR if the required stability is shown.

Simply being disabled, in itself, is not enough to qualify for this type of funding. For the NYS ACCES-VR office to consider financing the project, there must be a good chance of success. Most ACCES-VR offices require a letter of support from the local SBDC office.

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Empire State Development

New York State is making great strides in meeting the challenges of creating and retaining jobs and encouraging economic prosperity. This has been accomplished under the leadership of numerous governors, whose business-friendly policies have made New York the national leader in cutting taxes and resulted in huge improvements in reducing bureaucratic red tape and senseless over-regulation.

Empire State Development (ESD) is New York State's economic development organization. Through its regional and international offices, ESD provides one-stop access to the full array of the state's business products and services designed to strengthen and support business expansion and relocation. As the front-line ambassador and location specialist for New York State, ESD can offer assistance with everything from financial incentives to technical expertise.

ESD's Division for Small Business helps entrepreneurs solve problems with government, identify financing resources, get information about state laws and regulations, and learn about state bidding opportunities.

The ESD Division of Minority and Women's Business Development helps the state's minority and women business owners access special services such as entrepreneurial assistance, access to capital, minority and women-owned business certification, minority and women-owned procurement assistance, and transportation capital assistance.

Micro enterprise loan funds are also available to start-up and existing minority and women micro business enterprises with no more than \$100,000 in annual gross revenues. Persons requesting loans for start-up business must have received, or be scheduled to receive, entrepreneurial or other business training. Loan fund programs are operated by neighborhood-based not-for-profit organizations.

Empire State Development is committed to creating jobs and encouraging economic prosperity in New York State. For more information, contact ESD by phone at **1-800-STATE-NY (1-800-782-8369)**, via e-mail at esd@empire.state.ny.us, or visit their web site at www.empire.state.ny.us.

New York Business Development Corporation

Created by an act of the New York State Legislature in 1955, New York Business Development Corporation (NYBDC) is a private corporation funded by over 160 New York State commercial banks and thrift institutions. Its mandate includes promoting employment and economic development throughout New York State through long-term loans to credit-worthy small and medium-sized businesses. Through NYBDC, businesses in New York State have the opportunity to obtain financing that may not be available through conventional means. Interest rates are competitive. Their services include a Veterans' Loan Program.

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What Kinds of Small Business Should I Consider?

This important question is one that only you can answer. Many factors should bear on your decision. What are your particular strengths? They may be skills you learned in the military. Your choice should be based on what you enjoy doing or you are familiar with. Long hours are generally associated with small business ownership. So your business should be something you wouldn't mind making a commitment to. In the final analysis, your choice really has to be a good fit for both you and your family.

In the largest sense, every business is feasible for any veteran. We include the list below simply as a device to get you thinking about your particular skills and interests—perhaps to help you uncover career options you never considered before.

As a matter of fact, the following is a list of types of small businesses currently being run by veterans who received initial assistance from their local SBDC office. It goes without saying that the success of any business you select will depend on the amount of effort and capital invested.

Antique store	Artist
Auto repair, detailing, sales and other services	Bakery
Bar	Bed and breakfast
Bottled water	Cleaning service
Coffee shop	Computer services
Convenience store/deli	Daycare – children and adults
Doctor, dentist, chiropractor, and others	Driving school
Electrical contractor and supplies	Employment agency
Fitness center	Franchises
Gift shop	Graphic design
Handyman	Hardware store
Home construction/improvement/inspection	Home furnishings
Insurance	Inventor
Landscaping – design and maintenance	Laundromat
Liquor store	Logging, firewood
Manufacturer	Martial arts
Music production and performance	Online/Internet business
Pet care, boarding, grooming	Photography and videography
Printing	Real estate and property management
Restaurant and catering	Retail store
Security services and private investigation	Sporting goods and outdoor equipment, guides
Trucking	Vending machines
Wholesale trade	

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The following list includes types of small business that have been funded by the Small Business Administration, including many by individuals with disabilities:

Antique dealer/Arts and crafts store	Audiovisual rental
Bait and tackle store	Beauty salon
Bookstore	Cabinetmaker
Cable installation	Candy store
Carpet cleaning	Ceramic studio
Cleaning service	Clock repair
Clothing store	Coin-operated laundromat
Coin shop	College selection service
Composting management	Computer-aided drafting
Construction	Contract poultry breeding
Convenience store/food market	Counseling service
Dairy farm	Decorative and novelty stitching
Demographic research	Donut shop
Driving school	Employment agency
Equipment rental (chairs, tents, etc.)	Farmer's market
Firewood, retailer	Firewood, wholesaler
Flea market vendor	Franchising
Furniture refinishing	Furniture, retail
Gem cutter	General contracting (excavating and road work)
General home improvement	Greenhouse/florist
Grounds maintenance	Hotdog stand
Ice cream parlor	Import/export
Janitorial supply	Jeweler
Law firm	Lawn and garden service
Lawnmower repair	Leather craft
Liquor store	Locksmith
Machine shop	Marina and marine retail supplies
Mercantile store	Motor oil distributor
Moving and storage	Musician
Nanny service	Nursery school
Office supply	Pension consultant
Pet shop	Petting zoo
Photography	Plastic for packaging and insulation
Post office mailings	Printing tee shirts
Private investigation	Process server
Rabbit breeding	Residential care home
Retail hardware	Retail tobacco
Retail and wholesale egg business	Sales/manufacturer's representative
Silversmithing	Small engine repair
Sound production	Sports shop
Tax accounting service	Taxicab service
Telephone answering service	Television repair
Towing	Trophy shop
Watch repair	Welding
Wholesale automotive parts	Wholesale plant nursery

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SMALL BUSINESS PLANNING GUIDE

Introduction

Every business requires a plan. Why should you go to the effort of creating a written business plan? There are three major reasons:

- The process of putting together a business plan, including the thought you put in beforehand, forces you to take an objective, critical, and unemotional look at your business project in its entirety.
- The finished product—your business plan—is an operating tool which, when used properly, will help you better manage your business and work toward its success.
- The completed business plan is a way to communicate your ideas to others and provides the basis for your financing proposal.

The importance of planning cannot be overemphasized. By taking an objective look at your business, you can identify areas of weakness and strength, pinpoint needs you might otherwise overlook, spot problems as they arise, and begin planning how you can best achieve your business goals. It may even help you to avoid some problems altogether.

This guide has been designed with these considerations in mind. It is important that you complete as much of the work as possible. A professionally prepared business plan won't do you any good if you're not familiar with every aspect of the plan. This deep understanding comes from being involved with your plan's development from the very start.

No business plan, no matter how carefully constructed, will be of any value unless you use it. Going into business is a very serious matter in terms of your future and your family's future—over half of all new businesses fail within the first two years of operation. A major reason for failure is lack of planning.

Use your plan. Don't put it in a bottom drawer of your desk and forget about it.

A business plan can help you avoid going into a venture that is doomed to failure. It can help you see if your proposed venture is marginal.

Finally, your business plan provides the information others need to evaluate your venture, especially if you need to seek outside financing. A thorough business plan automatically becomes a complete financing proposal which will meet requirements of most lenders.

Suggested Business Plan Outline

Cover Sheet

- Name of business
- Names of owners
- Address and phone numbers of business

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Statement of Purpose

The Business

- Description of business
- Market
- Competition
- Location
- Advertising
- Management
- Personnel
- Application and Expected Impact of Loan (if needed)
- Summary

Financial Data

Supporting Documents

- Personal resumes
- Personal financial requirements and statements
- Cost-of-living budget
- Credit reports
- Letters of reference
- Job descriptions
- Letters of intent
- Copies of leases, contracts, legal documents, and anything else relevant to the plan

Cover Sheet

The cover sheet should:

- Identify the name of the business and the date of the plan
- Identify the location and telephone numbers of the business or where the owners can be reached
- Identify the person who wrote the business plan.

The cover sheet should not be elaborate, but should be neat and attractive. If you have a logo, use it. If the plan is to be submitted as a financing proposal, use a separate cover sheet for each bank or capital source you want to submit it to.

Statement of Purpose

The first page should state the plan or proposal objectives as simply as possible. If for your sole use, the statement should be a brief description of how you intend to use the plan.

If the plan is also to be used as a financing proposal, the statement of purpose becomes more complex. It should include responses to the following questions:

- Who is asking for the money?
- What is the business structure (sole proprietorship, partnership, corporation, etc.)?
- How much money is needed?
- How will the money be used?
- How will the funds benefit the business?

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- Why does the loan or investment make sense?
- How will the funds be repaid?

The deal you are proposing — the loan or investment, its use and expected effects on the business, and how you will repay it — should be supported by the rest of the plan.

If you are not seeking a loan, the plan should still support and justify the use of your own money (or the money of partners, friends, family).

Keep the statement short and businesslike. It will usually be no longer than half a page, but may be longer if necessary. Use your judgment.

Contents Page

The Contents Page should follow your Statement of Purpose. The remainder of the plan should be devoted to elaborating on and supporting the Statement of Purpose. A business plan, even for a modest project, generally runs to 20 pages or more.

There are three main sections of your plan:

- The Business
- Financial Data
- Supporting Documents

Description of Your Business

This is the most important, most complex part of your business plan. It should make a clear statement of:

- What the business is (or will be)
- What market you intend to service, the size of the market, and your expected share
- Why you can service that market better than your competition
- Why you have chosen this particular location
- What management and other personnel are available and required for the operation
- Why (if appropriate) borrowed money or an equity investment will make your business more profitable

These six considerations are crucial. They are the written policy of your business—rules you should not deviate from without compelling reasons. Since policy gives stability and direction to your business, it requires a great deal of thought and planning.

Your business will reflect your personality and abilities—not someone else's. In describing your business idea, aim at clarity and simplicity. A rule of thumb: If you can't describe your idea clearly and simply, you haven't thought it through.

Deciding what your business is—and where you want it to be in five years—is the most important decision you will have to make. If a small business is involved in more than one activity, your judgment of what the central activity or central activities are is crucial. Your entire planning effort is based on your perception of what business you are in. Be sure to take the time to think this decision through.

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The description of the business includes:

- Type of business: Is your business primarily merchandising, manufacturing, or service?
- The status of the business: Is your business a start-up, an expansion of a going concern, or a takeover of an existing business?
- The business form: sole proprietorship, limited liability company (LLC), partnership, or corporation?
- A statement of why your business will be profitable
- The date you plan to start the business
- The hours your business will be open (if your business is a seasonal business, describe how the hours will be adjusted seasonally).

Knowing exactly what your business does and how it operates enables you to plan for profits effectively. Before you begin to consider profit-making, you must be able to clearly state the aims and goals of your business. As the business progresses, the question of how to make profits must be continually asked.

For a New Business

Your description of the business should contain responses to the following questions:

- Why will you be successful in this business?
- What is your experience in the business?
- Have you spoken with other people in this kind of business? What were their responses?
- What will be special about your business?

Many businesses fail to take advantage of the insights and experience of actual and potential competitors. Your best single source of information, they will often give you much valuable advice for nothing more than a chance to share their expertise. Talking with competitors (and observing their business practices) will also help you define what the special advantages of your own business could be.

Two more questions to consider:

- Have you spoken with prospective trade suppliers to find out what managerial and/or technical help they will provide?
- Have you asked about trade credit?

Trade credit is a source of funds. “Net due in 30 days” allows you to use the supplier’s money for the 30 days—like a non-interest-bearing loan. This means, however, that you may forgo any frequently available cash discount if you pay the bill within 10 days. Taking the discount your supplier offers can represent a substantial savings. If you can borrow the funds somewhere else at a lower rate of interest, you should do so. However, such credit is often not available until a business has been in operation long enough to establish a reputation for paying on time.

Many suppliers also offer free services as an inducement to buy their products. For instance, store fixture manufacturers give free layout advice, and utility companies give hints on how effective use of light can create more sales. Two additional considerations:

- If you will be doing contract work, what are the specific terms of the contract? (Reference any firm contract or letter of intent, and include it as a supporting document.)
- How will you offset any slow payment by the customer?

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Especially important for anyone contemplating contract work is to find out how and when you will be paid. Get a feel from other contractors about their experiences. Remember that a slow-paying customer can put you out of business if you aren't prepared. If you find that slow payment is a fact of life, plan ahead to compensate for the shortfall.

For a Takeover

Your description should contain a brief history of the business you plan to take over and should respond to the following questions:

- When and by whom was the business founded?
- Why is the owner selling it?
- How did you arrive at a purchase price for the business?

Businesses that are strong and growing are infrequently offered for sale, and most sellers may give—not necessarily deliberately—misleading reasons for selling their business. Protect yourself. Ask your banker to check out the business. This is a routine activity for the bank, which has the means to find out such information. You can also ask your lawyer or accountant who are often experienced in this area.

Pricing a business requires professional expertise and ethics. Paying for a professional appraisal may turn out to be an excellent investment, as it not only establishes a fair price for the business but also provides justification for the price if outside financing is needed. Include a copy of the appraisal as a supporting document. The price should reflect business assets, the rate of expected income on your investment, and perhaps a “goodwill factor,” such as patents which can be capitalized, a reputation for excellent service, or an advantageous lease.

Since you will be repaying the purchase price out of profits, make sure that you get what you are paying for. Consider the following:

- What is the trend of sales?
- If the business is going downhill, why? How can you turn it around?
- How will your management make the business more profitable?

These last two items should be supported by income statements and tax returns. If a business is sliding downhill, there may be reasons which aren't obvious. Discuss the owner's reasons for selling. Ask the bankers involved with the business. It is difficult to restore a tarnished reputation. It can't be done overnight.

Some additional thoughts as you check out the business: Have you evaluated and aged the inventory? Checked with trade creditors? Aged the receivables? What is the condition and age of operating machinery? Does the business owe money—and if it does, will you inherit the liabilities? Check with state, federal, and local agencies concerning outstanding taxes due.

Determine exactly what you are buying. You are planning to put your money on the line. Don't be afraid to ask for advice before you commit yourself to any deal. A good attorney is essential at this point to help determine what you are buying and to make sure that the terms of the sale are in your favor.

For Purchasing a Franchise

Many small business owners have been helped in getting a start by investing in a franchise. You may want to consider such an investment.

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Most franchises require some or all of the following:

- Initial franchise or license fee
- Training costs
- On-site start-up and promotional costs
- Periodic royalties
- Charges for the building, equipment, inventory, supplies
- Bookkeeping charges (occasionally)

Along with the franchise costs, you should have on hand working capital for at least three months of operation, and preferably more. You can determine working capital needs by a simple formula: multiply living expenses by three and add total franchise costs.

Keep in mind that a parent company is involved in franchising for two basic reasons: to expand, and to raise capital. So if you have a reasonably good credit record and pass all financial requirements, most franchisers will bend over backwards to get you on their team. The help that franchisers provide usually includes assistance with business plans, loan application help, introduction to lending sources, and, in many cases, they serve as guarantor of the loan.

Remember that the price of the franchise does not always reflect the actual cost of the business. Additional costs can include down payments on the land, building, and equipment, fixtures, signs, and many other items.

Be sure you understand the requirements of your cash investment. Do a thorough search of the company in which you will be investing your money. Federal franchise laws require that all franchisers give the franchisee a full and complete disclosure, including a description of the business, training programs, services provided, number of franchises, financial statements, and audits. They must fully describe all that will be required of the franchisee.

It is imperative that you, as the potential franchisee, retain legal counsel to review all contracts, agreements, and other documentation that may be required before signing them.

The Market

To generate an ongoing sales flow, you must become knowledgeable about your market — the people who will be buying your service, product, or merchandise.

Basic market considerations are:

- Who is your market?
- What is the current size of the market?
- What percent of the market will your business expect to capture?
- What is the market's growth potential?
- As the market grows, does your share increase or decrease?
- How will you satisfy your market?
- How will you price your service, product, or merchandise to make a fair profit and also be competitive?

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Define Your Market

In marketing terminology, define your target market—the target of all your efforts. You do this by considering:

- Who needs your product or service?
- Who buys the kind of merchandise you stock?

It may be necessary to alter your service, product, or merchandise mix to meet the needs of the market you have targeted.

However, you must first know exactly who your market is. Perhaps it is defined by geographic location, socioeconomic or ethnic factors, age, gender, or other conditions.

Whatever your market elements, make sure you identify them. One way to do this is to simply list all important characteristics, and then, by using Census data or other available information, find out to what extent these characteristics are present in different areas.

You must then measure your target market. As simple as this may sound, remember, having too few customers puts you out of business. Although your business will receive cash from four sources—sales, loan proceeds, sale of fixed assets, and proceeds of new investment—it will ultimately rely on sales as the main source of money. (If there are no sales, there is no business.)

You can obtain information about the size of your market from your Chamber of Commerce, the SBDC, trade publications, marketing consultants, other business persons, libraries, schools and colleges. Census data, which you can find at your nearest library or online, is an excellent source of information.

Get help in assessing the market from such sources rather than trying to guess by watching passing traffic and hoping for the best. Good marketing strategy must be planned, and it must be based on good information.

When you have a feel for your market, answer the following questions:

- How will you attract and keep this market?
- How can you expand your market?

These two critical questions lead to other ideas to consider, such as how and where to advertise, the suitability of your location, and how attractive your office or store is to the clientele you hope to draw.

The second aspect of your marketing strategy concerns price:

- What price do you anticipate getting for your product?
- Is the price competitive?
- Why will someone pay your price?
- How did you arrive at the price? Is it profitable?
- What special advantages do you offer that may justify a higher price?

To make a profit, your business must make more on sales than it spends (both directly, as in cost of goods sold, and indirectly, as in overhead and selling costs). Many businesses flounder because they lose sight of this simple truth.

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A Brief Note on Credit

Will you offer credit to your customers? If you do, you are, in effect, making a loan to them. Can you afford to do this? Do you have to extend credit? Can you evaluate credit risk? Can you collect? Can you afford to write off bad debts?

Customer credit can represent an unexpected cash drain on the business. If you must offer credit, make sure that you plan how to absorb its effects. Offering credit to your customers costs you money, especially if you then have to borrow funds to cover these accounts. It may strangle your business by tying up funds you could possibly use for other purposes.

Pricing

Keep in mind that pricing reflects a total package of product and service and expenses.

There is no point in pricing yourself out of the market, nor is there anything to be gained from a price which puts your business in the red.

Competition

If you have decided on your target market, and it is large enough to be profitable, and it contains reasonable expansion possibilities, the next step is to identify and assess your competition. Consider these questions:

- Who are your five nearest competitors?
- How will your operation be better than theirs?
- How is their business: Steady? Increasing? Decreasing? Why?
- How are their operations similar and dissimilar to yours?
- What are their strengths and weaknesses?
- What have you learned from watching their operations?

This section should enable you to make your business more profitable by picking up good competitive practices and avoiding your competitors' errors. Opening a business in a market that is already more than adequately serviced is a common error. Carefully evaluating the competition will sometimes lead you to alter your basic business strategy or modify operations to compete more effectively. This should be an ongoing practice, since market shift and success attract competition.

Learn from competitors' mistakes, and go after the market segment currently being inadequately served. A good practice is to identify an unserved or underserved target market, identify the needs of that market, and go after it. An advantage for a small business is its ability to operate profitably in a market too small for big businesses to consider. Checking out the competition is a valuable extension of your marketing efforts.

Location

Proper site location can help your business make money. If you are going into business, first try to identify the ideal site, then figure how close you can come to it, remembering that rent is computed as the combination of space and advertising.

Information about specific geographic areas is available from Chambers of Commerce, trade sources (such as magazines and associations, planning commissions, bankers, and lawyers), and industrial development commissions. They may also have information about tax breaks and financing incentives for businesses that

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will employ substantial numbers of people in towns under their commission.

Do not go into business in a given spot simply because the price is low. Rent and purchase prices are usually fixed by market forces, and a low price can reflect low desirability. Although for some operations, this consideration is beside the point, for others—merchandising operations in particular—it is a very important factor.

Each business has its own location needs. If your enterprise is manufacturing or wholesale, low rent and easy access to transportation routes are very important. For most retail operations, however, exposure to people and accessibility are most important. Traffic studies may be available for the area you are considering. Sources of this information may include the state or local highway agencies, the local library, or Chambers of Commerce. Your local banker may well be one of your most useful information sources. Some locations seem to be “jinxed,” and most likely he or she will know why and will tell you.

In this section of your business plan, you should answer the following:

- What is your business address?
- What are the physical features of your building?
- Is your building leased or owned? State the terms.
- If renovations are needed, what are they?
- What is the expected cost? Get quotes in writing from more than one contractor. Include quotes as supporting documents.
- What is the neighborhood like? Does zoning permit your kind of business?
- What kind of businesses are already in the area?
- Have you considered other areas? Why is this one desirable for your business?
- Why is this the right building and location for your business?
- How does this location affect your operating costs?

The key to correct site selection: keep in mind that a bad site can put you out of business, while a good site can increase your profits. Once you get started, or if you are already located, keep a constant eye on changes in your location—new roads may be built, populations may shift, zoning ordinances may change. Such changes could mean you need to alter your business plan.

Advertising

Effective advertising can help owner-managers of small companies achieve benefits such as increased sales, sustained sales volume, and reduced selling costs. The secret to such results is not so much in the amount of money budgeted for advertising, but in how it is spent.

Advertising can be one of small businesses’ most effective weapons in an intensely competitive business climate. It can offer a creative and effective way for retailers to bid for their fair share of the market in the face of stiff competition and rising costs.

Advertising is not an end in itself, but rather, a means of providing customers with convincing reasons why they should patronize a particular business.

Businesses should always build their advertising messages around the particular advantages they are prepared to offer their customers. Usually, these advantages relate to price and quality of products, convenience and accessibility of store location, or quality of service.

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Planning for Timely Advertising

While frequently considered a temporary expedient, advertising should be based on long-range planning, which includes more immediate plans and goals. Moreover, it should be consistent throughout the year as a cumulative sales effort. Although this planning should be the controlling factor, advertising plans should be flexible.

Because small businesses have limited funds, they must plan carefully to obtain maximum effectiveness from their advertising expenditures. Advertising should be planned in relation to the overall merchandising program. It should also be coordinated with such specific management activities as buying, inventory balancing, and acquisition of new customers. In other words, the effectiveness of a limited advertising budget can be greatly strengthened if advertising goals are planned in relation to the total merchandising and selling program.

Timing is possibly the most important single consideration in the planning of effective small business advertising. Timing involves adjusting the advertising plans not only to seasonal sales patterns but also to the business's special days and to the community's or shopping district's special events. Coordination of the advertising program with the buying schedule is also necessary. A promotional advertisement which is not backed up by adequate merchandise can do more harm than good.

Media, Copy, and the Internet

It is becoming a truism that you will not be taken seriously as a business without an Internet presence. Businesses should explore fully the opportunities of presenting themselves to customers via the Internet. An Internet presence can be inexpensive and effective.

The newspaper is a medium used by many small businesses. Other effective media for business are direct mail, radio, television, handbills, billboards, and increasingly, the Internet—through a company website. Also don't discount the effectiveness of a well-designed sign for your location.

The key to success in direct-mail advertising is a carefully selected and maintained mailing list. Small businesses should not overlook the use of radio and television where local rates are low enough to fit the budget of a small shop. These media can be used occasionally with great effectiveness to advertise outstanding promotional events.

Each business must determine the type of advertising copy most appropriate to the identity or image they are seeking to establish in the public mind. All advertising copy benefits from observing the basic rules of eye appeal, simplicity, brevity, straightforwardness, and credibility. An advertising message that is obscure, confusing, or misleading may be successful in the short run, but generally is bound to fail.

To be effective, an ad must:

- Attract attention of the reader or audience
- Offer visual persuasion showing how the product will benefit the customer
- Show why the product is necessary and why it should be purchased at this time
- Encourage purchase, giving reasons for buying, particularly from the business doing the advertising.

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Sources of Advertising Help

Businesses can find many outside sources of assistance, such as the following:

- The advertising departments of newspapers offer assistance in preparing copy, art work, and layout. They are often willing to advise the business on general merchandising and sales promotions planning.
- The firms that supply the retailer with merchandise often provide advertising materials free of charge, grant advertising discounts, and participate cooperatively in the business's advertising by sharing a portion of the cost.
- Direct-mail agencies compile specialized mailing lists which the business can use to contact selected customer groups. These agencies also assist in the preparation of mailing literature.
- Trade newspapers and magazines often provide useful information to the business manager about advertising practices. Trade associations, Chambers of Commerce, and Better Business Bureaus also provide information on advertising and advertising ethics.
- Some advertising agencies specialize in servicing small businesses, and typically will take full responsibility for all aspects of advertising.

In addition, businesses should keep well informed about their competitors' advertising. The larger ones usually have effective advertising, and a study of the methods they use, the merchandise they feature, the style of their copy, and the size and layout of their advertisements can provide helpful ideas.

Budgeting

Advertising has three basic goals:

- Sell goods and services
- Create a positive business image
- Allow the advertiser to compete successfully

Budgeting for advertising is necessary for maximum returns. The amount to spend depends on many factors, such as specific promotional objectives, store location, competition, age of store, and past success in attracting customers. Often, businesses discover that what they need to spend on advertising and what they can afford to spend are not the same. They must study their own situation carefully and, within the limits of their financial capabilities, allocate funds on a planned basis over an extended period, usually six months.

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MANAGEMENT

Roughly 98 percent of small businesses fail because of managerial weakness; fewer than two percent of the failures are due to factors beyond the control of the people involved.

Your business plan must take this into account. If you are preparing a financing proposal, you should make sure that your prospective financial source is aware of the steps you have taken or are taking to correct any weaknesses in your managerial staff. If you are to use your business plan to the fullest, you should highlight both management strengths and weaknesses.

There is no known cure for incompetence, but there are direct cures for inexperience: Acquire the necessary experience yourself, or find a partner or employee who does.

In preparing the Management section, you should cover five areas:

- Personal History of Owners and Key Managers
- Related Work Experience
- Duties and Responsibilities
- Salaries
- Resources Available to the Business

Properly treated, these five will help make a proposal convincing, and a business plan useful. The aim is to spot areas of potential weakness before problems arise and threaten to put you out of business.

Personal History of Owners

In this segment, include responses to these questions:

- What is your business background?
- What management experience have you had?
- What education (including both formal and informal learning experiences) have you had which has a bearing on your managerial abilities?
- Personal data: age, where you live and have lived, special abilities and interests, reasons for going into business. Keep in mind that your family will be affected by your decision to go into business. Try to assess the potential impact. While they may be supportive now, will they continue to be supportive a year from now?
- A personal financial statement must be included as a supporting document in your business plan if it is a proposal for financing.

Bankers and other lending sources want to see as much collateral as possible to secure their loan. Be forewarned: Under most circumstances, the personal credit worthiness of the principals will be a major concern for the banker. Also, you will undoubtedly be expected to sign personally for the loan. This means that your personal assets could be taken if the business fails — even if it's set up as a corporation.

Related Work Experience

This segment is an expansion of the experience factors mentioned earlier. It requires, but is not limited to, information on the following:

- Direct operational experience in this type of business

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- Managerial experience in this type of business
- Managerial experience acquired elsewhere—whether in totally different kinds of businesses, or as an offshoot of club or team membership, civic activities, church work, or some other activities.

While some managerial skills are transferrable, others are not. Managerial experience and expertise that is not carefully balanced can cause serious problems. The talents required of a financial specialist are quite different from those of a used-car salesman. A combination of both sets of talents in one individual is rare.

Duties and Responsibilities

Once you have filled in the experience and skills—and have a feel for the weaknesses—of the proposed management, this segment is relatively simple.

Make sure that you spell out in advance:

- Who does what
- Who reports to whom
- Where the final decisions are made

Allocating duties and responsibilities is critical. If the chain of command is unclear to your employees, you will have personnel problems. This is a major responsibility of management and must not be evaded under the guise of “we can work it out later when we see where the problems are.”

Salaries

When completing this section, include salaries of management and all employees. Don't forget to include employee benefits as well as salaries (e.g., medical, pension, Social Security, insurance coverage). Be realistic when computing upper-level salaries.

Knowing what you need, as distinguished from thinking you know what you need, takes effort. One sure way to damage a small business is to take the money out for family necessities. If your business can't afford to pay you a living wage, and you have no other income or savings, you had better reconsider your deal.

Resources Available to the Business

All businesses, no matter how small, need the services of:

- Accountant
- Lawyer
- Insurance broker

If you don't have any of these services, make sure you get them immediately!

Other sources of assistance include:

- Small Business Development Centers
- Business, trade, civic organizations, which often have a pool of talent available to their members
- Small Business Administration technical assistance and SCORE programs

Avail yourself of all of these. And don't forget: Your banker can be among the most helpful partners you have. If you borrow money, the bank has a vested interest in the success of your business.

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You won't necessarily have to use all of these secondary resources, but it is a good idea to know what help is available if you need it.

Summary

This section should make you aware of the necessity of developing your management skills, and, for the skills you do not possess, of accessing all outside resources (legal, financial, etc.) available to you. Keep in mind the necessity of managing your business rather than letting the business manage you. Constantly review and re-evaluate the status of your business. In this way, you will drastically diminish the odds of failure. Keep this section short, direct, and honest.

Personnel

Businesses stand or fall on the strength of their personnel. Good employees can make a marginal deal succeed; poor employees can destroy the best business. Studies have consistently shown that out of 100 customers who stop patronizing the average store, more than 70 do so because they didn't get prompt, courteous attention.

Here are some questions to think about in determining your hiring needs:

- What are your personnel needs now? In the near future? In five years?
- What skills must your staff have?
- Are the people you need available?
- Do you need full or part-time staff?
- Will you pay them salaries or hourly wages?
- Will you offer fringe benefits?
- Will you pay for overtime?
- Will you have to train people? If so, at what cost to the business?

Application and Expected Impact of Loan

This section is important, whether you are seeking a loan or planning to finance your deal yourself. In determining how much money you will need and for what purposes, do not rely on guesses when exact prices are available. Specify how you arrived at your figures. It may be helpful to make a list.

Fill out your reasonable choice. It may be important to you to have a luxury item or two, but weigh the cost. A tabular worksheet is particularly useful for a start-up business and can be used whenever a purchase of additional equipment is contemplated.

Make sure that this section contains responses to the following:

- How is the loan or investment to be spent? This can be fairly general (working capital and new equipment, inventory, supplies).
- What is the item to be bought?
- Who is the supplier?
- What is the price?
- What is the specific model name and number of your purchase?
- How much did (or will) you pay in sales tax, installation charges, and freight fees?

Your banker may be interested in using whatever it is that you are buying as collateral for the loan. By

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having a list, your loan can be processed faster.

Consider the possible advantages of leasing some of the capital equipment you need, and definitely look into the advantages of renting rather than owning your business building. If you have the money to buy, owning may (or may not—ask your accountant) be less expensive than leasing. If you are short of cash, a lease arrangement may enable you to ease cash problems by lowering your investment in fixed assets (perhaps a sale/lease-back deal). Leases also have greater flexibility. As your business grows, you can often make changes more readily. It is also possible to save money on taxes by deducting lease payments as business expenses.

Most important, ask yourself how the loan will make your business more profitable.

Interest is an expense which reduces profits. If you propose borrowing money or investing your own, you must know how the money is going to work for you.

Make sure it earns more than it costs! A well-thought-out business plan can be an asset to any small business. If you have followed the steps outlined in this guide, you should be able to develop a good, workable plan.

Financial Plan

To effectively manage your finances, plan a sound, realistic budget by determining the actual amount of money needed to open your business (start-up costs). The first step to building a sound financial plan is to devise a start-up budget. Your start-up budget will usually include such one-time only costs as major equipment, utility deposits, down payments, security deposits, etc.

A start-up budget should allow for these expenses:

- Personnel (costs prior to opening)
- Occupancy (lease, rent or mortgage)
- Legal/Professional Fees
- Equipment
- Supplies
- Salary/Wages
- Income
- Utilities
- Payroll Expenses
- Internet
- Licenses/Permits
- Insurance
- Advertising/Promotions

The operating budget is prepared when you're actually ready to open for business. The operating budget will reflect your priorities in terms of how money will be spent, the expenses you will incur and how you will meet those expenses. Your operating budget should also include money to cover the first three to six months of operation. It should cover the following expenses:

- Personnel
- Lease/Rent/Mortgage

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- Loan Payments
- Legal Fees
- Accounting
- Supplies
- Salaries/Wages
- Dues/Subscriptions/Fees
- Repairs/Maintenance
- Insurance
- Advertising/Promotions
- Depreciation
- Payroll Expenses
- Internet
- Payroll Taxes
- Travel
- Entertainment
- Miscellaneous

The financial plan should also describe the type of financing you're seeking, the amount of money you're looking for, how you plan to use these funds and the preferred terms for repayment.

The financial plan will be the tool prospective investors, bankers, and even you will use in order to determine the feasibility of the business you are presenting. If the business already exists, it should illustrate the current financial status of your business and represent your best estimate of its future operation. If the business is new, a projection will suffice. The results presented should be both realistic and attainable. The financial forecasts should come in the form of three-year cash flow and balance sheet statements.



CASH FLOW PROJECTION

Year 2

Quarter	1	2	3	4	Total
---------	---	---	---	---	-------

Cash In-Flows	Sales					
	Other Income					

Total In-Flows						
-----------------------	--	--	--	--	--	--

Cash Out-Flows	Cost of Goods Sold					
	Rent/Mortgage					
	Owner's Salary					
	Other Salaries					
	Payroll Taxes					
	Advertising & Promotion					
	Utilities					
	Loan Payments (current)					
	Loan Payments (previous)					
	Telephone					
	Office Expense					
	Dues & Subscriptions					
	Accounting					
	Insurance					
	Professional fees					
	Internet					
	Repairs & Maintenance					
	Licenses & Permits					
	Travel & Entertainment					
	Legal fees					
Bank charges						
Miscellaneous						

Total Out-Flows						
------------------------	--	--	--	--	--	--

Net Cash Flow						
----------------------	--	--	--	--	--	--

Beginning Cash Balance						
-------------------------------	--	--	--	--	--	--

Ending Cash Balance						
----------------------------	--	--	--	--	--	--

**Pro-Forma Balance Sheet
(Opening Day of Business)**

ASSETS

Cash _____
Accounts Receivable _____
Inventories _____
Prepaid Expense _____
Other Current Assets _____

TOTAL CURRENT ASSETS

FIXED ASSETS

Land _____
Leasehold Improvements _____
Equipment _____
Vehicles _____
Other Fixed Assets _____

Subtotal Fixed Assets _____

Less: Accumulated Depreciation _____

TOTAL FIXED ASSETS

TOTAL ASSETS

CURRENT LIABILITIES

Accounts Payable _____
Current Portion of Long-Term Debt _____
Accrued Expenses _____
Other Current Liabilities _____

TOTAL CURRENT LIABILITIES

LONG-TERM DEBT, net of current portion

OWNER'S EQUITY

Paid-In Capital _____
Retained Earnings _____

TOTAL OWNER'S EQUITY

TOTAL LIABILITIES & OWNER'S EQUITY

Pro-Forma Income Statement

Year	1	2	3
------	---	---	---

Sales			
Other Income			

Gross Profit

--	--	--	--

Operating Expenses

Cost of Goods Sold			
Rent/Mortgage			
Owner's Salary			
Other Salaries			
Payroll Taxes			
Advertising & Promotion			
Utilities			
Telephone			
Office Expense			
Dues and Subscriptions			
Accounting			
Insurance			
Professional fees			
Internet			
Repairs & Maintenance			
Licenses & Permits			
Travel & Entertainment			
Legal fees			
Bank Charges			
Miscellaneous			
Depreciation			
Interest			

Operating Expenses

--	--	--	--

Net Income

--	--	--	--

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GENERAL BUSINESS CONCEPTS

Advertising as Part of Your Marketing Plan

Marketing and advertising are often mistaken for one another. Advertising is actually part of the marketing process. Advertising includes all activities in the paid promotion process, whereas marketing includes planning what, where, how, and to whom you will sell your product or service.

Putting together an advertising campaign for your business should entail a clear idea of:

- How much to spend
- What type of media to use
- What market area to reach
- How often to run any ads

If you make decisions haphazardly or use a “seat-of-the-pants” approach, the results will probably show it.

To help organize a cohesive plan, it is wise to commit your ideas and decisions in the form of a written advertising plan. This helps you identify areas that need to be looked at in developing an advertising campaign. And it gives you a written reference that you can and should periodically review during the course of the year.

Marketing Plan Format

Although there is no one marketing plan format for all businesses, a plan can be developed using the following topic list as a guide:

- **Advertising Objectives.** What are you trying to achieve? Establishing a particular identity for your project, such as “the most dependable” or “lowest price” (often called positioning), or simply trying to increase sales?
- **Advertising Strategy.** This should contain the overall methodology to meet advertising objectives. For example, if the primary objective is to convey the message that your product is “the most dependable,” the strategy should explain how this is to be carried out.
- **Creative Strategy.** This contains guidelines or specifics to assist in the creative aspects of advertising. Creative aspects include slogans, themes, use of graphics and colors, logos, copy guidelines, and mechanical specifications (e.g., typestyles and sizes, use of photography, and details of reproductions).
- **Media Plan.** This should identify the media mix (combination of print, broadcast, and other). A media schedule details the types of media that should be used for advertising throughout the year. This may be generic and contain only types of media that will be used, such as the Internet, radio and newspapers, or specific and contain types of media and corresponding identities, such as WXYZ Radio and the *Daily News*. The media budget includes costs associated with each ad placement (cost of airtime, newspaper space, magazine placement). The media budget is then used as part of your advertising budget.
- **Advertising Budget.** This has two components: the media budget and the production budget. The production budget contains all costs associated with production of advertisements. Typical items include: time and materials from in-house staff (normally not included if your company does not cross-charge departments), photography, purchased services such as typesetting or use of consultants,

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or the entire creative and production charge if you use an advertising agency. Transfer the total to your master budget, where you can represent it as either a total advertising line item or break it down into media and production components.

Overall Promotional Strategy

The primary goal of advertising is to position your company and product in the mind of the potential customer. Advertising is one of three major promotion methods. The others are personal selling and public relations.

Personal Selling

Personal selling is the dominant form of promotion, done through sales clerks, telemarketing, and/or field salespeople. Personal selling is flexible and enables greater control over the sale, since questions can be answered, the sales pitch can be customized, and the sale can be closed. Many customers build strong bonds with salespeople, counting on them for in-depth information on a product, on industry trends, and on special treatment in pricing and order lead times. For these reasons, it is necessary to maintain adequately trained salespeople and keep them well informed about your current products, and your competitors' products as well.

Salespeople must know how much flexibility they are allotted for adjusting prices, modifying standard product offerings, extending credit, and promising delivery dates. The ability to respond to customer inquiries helps build confidence. Many companies assign titles such as marketing representative, marketing specialist, or sales engineer to indicate this type of authority.

Salespeople are often responsible for customer support in addition to getting orders. This allows valuable input to the company that could affect other sales. Good sales techniques can forge strong customer-company relationships and can result in repeat business and secondary promotion through word of mouth. Friendly, knowledgeable salespeople can be one of your best promotion assets.

Sales promotion includes activities supporting personal selling. These include brochures, fliers and catalogs, novelties, displays, and trade shows.

Public Relations

Public relations includes any type of publicity that is generally not paid for, and that seeks to create interest or favorable recognition for the company and its products or services. Public relations provides an economical way to enhance your company's image. The disadvantage: You have little or no control over how much of your message gets through.

Many activities present excellent public relations opportunities; these include new product announcements, giving or receiving awards or significant contracts or grants, hiring new key personnel, as well as stunts, shows, exhibits, grand openings, guest appearances by celebrities or dignitaries, sponsorships, and fundraisers.

For most public relations activities, the company must take the initiative to generate media interest. In most cases, this involves preparing and distributing a press release describing the activities, and including photographs, when available.

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The Four “Ps” of the Marketing Mix

Promotion is only one component of marketing, more specifically, the marketing mix, which consists of **Four Ps: Promotion, Product, Place and Price**. Marketing involves managing decisions about the mix, that is, type and amount of promotion, product, place, and price.

Promotion

Promotion consists of your overall strategy for putting your product or service in front of the appropriate buying public and creating an environment in which sales result. In considering all of the elements of promotion (marketing, advertising, public relations, etc.), do not overlook the Internet, potentially and actually the most powerful business promotion tool to arrive in decades. Increasingly, almost every business, if it is to be taken seriously, will have an Internet presence in the form of a website. Your SBDC business adviser can explore with you the opportunities and options the Internet offers your business.

Product

Product refers to the goods and services that your company provides. You need to define your product in terms of the target market.

Typical key product decisions include:

- Product features
- Accessories
- Packaging
- Warranty
- Service
- Installation
- Instructions and/or training

Pay close attention to trends, and minimize the possibility of making product decisions based on fads. Product decisions are not only initially important, but must be updated to reflect changing consumer wants and needs.

Place

Place refers to the where your product or service is distributed, or where your customer comes in contact with you.

For retail establishments, location is the primary factor. Obviously, a retail store should be accessible to the target market and have adequate parking, if necessary. Other location pluses include frontage exposure and proximity to other major, non-competing retail stores.

Other types of businesses must decide whether to sell through dealerships, distributors, mail order, jobbers, the Internet, or a combination of methods.

Price

Prices should conform to the overall company pricing strategy. Ask yourself: Does your company have a low price strategy, an at-market strategy, or upscale market strategy?

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How does your pricing compare to that of your competitors? If your pricing is consistently higher, does your product offer recognizable differences that will justify the additional price? If so, maybe this is something you should bring out in your advertising.

External Factors Affecting the Market Mix

We have just described the four internal factors that you can control as a business manager. This marketing mix is central to your marketing strategy. But there are also external factors—technological, economic, societal, political, legal, and natural—that you cannot control.

Technological Factors

Introduction of new technologies, and obsolescence of old technologies, has a direct impact on the marketing mix by making a continuous stream of new products available which are priced for, promoted in, and sold to new markets.

An example of a major new resource created through advancements in technology is the Internet, made possible through developments in integrated circuit technology, the spread of personal computers, and the conversion of an advanced defense-oriented system to civilian purposes.

Technological advances in areas such as biotechnology, medicine, chemistry, automation, metals, and advanced materials provide the knowhow for similar development for countless new products.

The Internet is another example of a technology producing profound change in the ways in which we do business and conduct our lives.

Economic Factors

The state of the economy influences demand for particular products, and determines how they are sold and promoted and at what price they are offered.

A sluggish economy decreases consumer demand for most products. Increased advertising may be required to stimulate sales.

Carefully monitor economic indicators, such as the Consumer Price Index, interest rates, and unemployment rates, and make adjustments to the marketing mix as needed.

Societal Factors

Cultural and social customs, values, and lifestyles require special attention. You may need to take into account issues of multiculturalism, religion, economic status, health, diet and nutrition, crime, and public opinion.

Responding to societal wants and needs with the right product at the right time gives your company a competitive edge.

Political and Legal Factors

Government policies, regulations, and legal actions at federal, state, and local levels can have a dramatic effect on all aspects of the marketing mix.

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Two examples of government regulations that impact the marketing mix are those related to product labeling and to the environment. Alcohol and tobacco products must bear special warnings on their labels; where and to what age group they can be sold are heavily regulated. Environmental regulations have placed mandates on industry to develop products that are not harmful to our environment.

Natural Factors

Factors such as geographic location, weather and climate, and availability of natural resources all can influence your marketing mix.

The agriculture industry, for example, requires not only a good geographic location for the type of product being produced, but good weather during growing seasons. These conditions will influence the type of products and growing season yield and price. The occurrence of natural disasters such as floods and hurricanes not only can create hardship for the agricultural producer, but can also result in unexpected delays or depletion of expected agricultural products for companies selling or processing them.

Infrastructure Factors

Finally, the cost and availability of transportation, communication, and energy dictate how markets will be accessed, and how much it will cost to produce and transport products.

High-quality, reliable roads, railways, air transportation, and utilities must exist to enable large-scale economic activity. Improvements must constantly be made to accommodate increasing demand.

Developing a Marketing Plan

To develop a marketing plan, your company should formulate a marketing strategy which identifies target market, marketing objectives, and marketing mix. A marketing strategy defines the game plan for your business. It provides information about your markets and how you intend to penetrate them. It defines the character of your business—for example, as an innovator, challenger, or follower.

While the marketing strategy outlines constraints under which your business will operate, the marketing plan details how the strategy will be carried out. For example, a clothing retailer should provide information on promoting the latest trends in men's sportswear in the marketing plan.

Format

As with the advertising plan, no one marketing plan format is ideal for every business. The following topic list, however, provides a useful guide for constructing a marketing plan:

- **Mission Statement.** Describe your business purpose, its goals and objectives, and specific strategies to reach them.
- **Product/Service.** Identify each of your products and/or services, their cost to you, specific characteristics (including competitive advantages and disadvantages), and expected annual sales volume.
- **Market.** Provide a complete demographic analysis of the customers in each market, including market size. Identify current or projected market or industry trends, as well as information from supporting market studies or test markets.

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- **Distribution.** Identify how products will reach the customer, including labeling, packaging, and shelving information. If you will use distributors, include a list of distributors and satisfaction level from previous experience (if applicable). If you plan to offer cooperative advertising programs with them, include guidelines. Identify details on incentives and sales quotas, and on the handling and returning of goods.
- **Competition.** Identify competitors by divisions, product lines, and markets. Include competitive strengths and weaknesses. Identify and compare marketing techniques.
- **Pricing.** Develop price schedules, including discounts, where applicable. Include comparative price lists of competing products, and explanations of price variations.
- **Marketing.** Provide guidelines for developing your advertising plan. For example, will you do advertising in-house or hire an agency? Do you have preferences in advertising media? Be sure to identify any planned marketing events, such as seasonal sales, new product announcements, and promotions. Provide guidelines for advertising expenditures.
- **Sales Forecast.** Include a detailed sales forecast for the year. Identify sales commission plans and expected sales quotas.
- **Action Plan.** Identify major marketing activities, their priorities, completion schedule, and the people or organizations responsible for carrying them out.
- **Production.** Include product production information, if applicable, to ascertain availability of products in the face of projected demand. Identify contingency plans to increase product availability, if required.

The marketing plan should be a pivotal document for developing your advertising plan. Re-evaluate and update your marketing plan regularly so it is always up to the moment and can be used reliably.

Putting It All Together

Managing an effective advertising program for a business requires a great amount of research and planning. While larger companies devote an entire staff to advertising responsibilities, smaller companies should delegate advertising responsibilities to at least one individual. This advertising specialist should be (or become) knowledgeable in advertising media—in particular, rates and coverage areas.

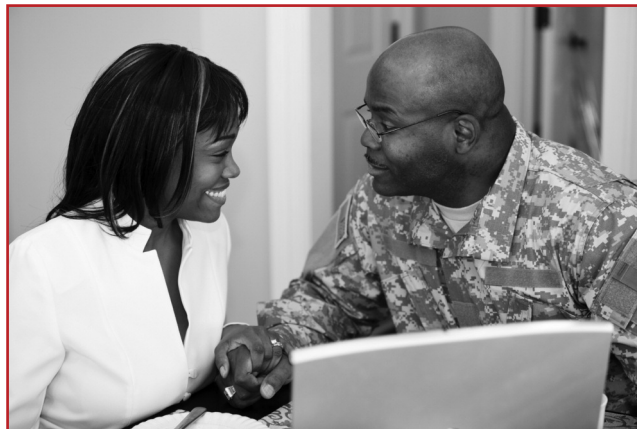
Advertising should not be a one-time event at the time an ad is placed, but rather a continuous process. Databases of media information should be maintained and updated frequently so that when this information is needed, it is complete and up to date. You can use media directories such as Standard Rates and Data, available in the reference section of many libraries, or call or write or visit the website of the sales department of any newspaper, magazine, radio station, television station, cable company, or other medium.

Past advertising effectiveness should be evaluated to determine which strategies have worked in the past, enabling you to adjust the marketing mix. Don't forget to adjust your advertising messages to conform to changes in the external environment, as well as competitive advertisements.

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Develop an advertising budget from the bottom up, by determining true costs of planned advertising activities, rather than by simply allocating an arbitrary dollar amount for your total advertising effort. This gives the most accurate cost projection, and enables you to better identify true costs for future advertising budgets.

Above all, use good business sense. Although advertising requires a substantial share of a company's financial resources, it also projects a lasting image of your company, its products, and services for years to come.



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ACCOUNTING AND RECORD KEEPING

“If you don’t understand the need for good records, you don’t have enough experience to be starting a business.” — Anonymous

This quotation emphasizes the importance of accounting and record keeping. Many businesses have failed because the owners did not maintain the records necessary to allow for sound management of the business.

Why Keep Good Bookkeeping Records?

The Internal Revenue Service requires that everyone in business keep records. “The law does not require any special kind of records. You may choose any system that is suited to your business and that will clearly show your income,” says the IRS.

Good record-keeping also helps you monitor the business for planning, controlling, and budgeting purposes. As an owner, you must plan for the future of the business, based on financial knowledge rather than guesswork. Good business decisions are made from timely and accurate information about the company.

Up-to-date bookkeeping records should provide useful data for you to make intelligent decisions to operate your business successfully. Your records should yield information such as:

- sales information and operating results
- fixed and variable costs
- profit and loss
- inventory levels
- data comparisons - current & prior
- financial statements
- tax returns and reports to regulatory agencies

What System Should You Use?

Small business owners should use a simple and practical bookkeeping system. Because owners are usually busy with daily operations, it is imperative that the bookkeeping not be cumbersome.

A good system should be:

- simple to use
- easy to understand
- reliable
- accurate
- consistent
- timely

Cash and Accrual Methods of Accounting

Before we consider the fundamental elements of bookkeeping systems, let’s talk about cash and accrual methods of accounting.

Using the **cash method** of accounting means you record your sales at the time you actually receive the cash. You also record your expenses when you pay out the cash. This method follows the cash flow in and out of your business and is used by most small businesses because of its simplicity.

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Under the **accrual method** of accounting, you would record all sales and all expenses when the service is performed or the goods are delivered, regardless of when payment is received or made. Using this method requires the use of an account for “receivables” and another for “payables” in your records to allow you to keep track of what is owed to you and how much cash you owe.

You may use what is known as the **hybrid method**, which incorporates both methods: Using the cash method during the year and the accrual method at year-end allows you to accurately state your income because you can record unbilled sales and expenses in the year they have actually occurred. An “account receivable” and “account payable” would again be necessary. This method is preferred by businesses with 30-day credit accounts because it allows a more accurate accounting of profit and loss without the bother of keeping these two extra accounts throughout the year.

Any of these methods is acceptable. It is up to you to decide which one best suits your situation.

Elements of Bookkeeping

Currently, there are many bookkeeping systems to choose from on the market—all fulfill the six requirements of a good system. Choose a system with rules and methods for collecting, processing, and summarizing financial and economic data that is useful in your decision making.

Any bookkeeping system should include at least the following:

- business checkbook
- chart of accounts
- daily summary of cash receipts
- disbursements journal
- monthly summary of cash receipts and disbursements

Storage Medium

Although there is no requirement to keep your records in bound books, you should use either pre-packaged forms or columnar paper designed for bookkeeping purposes. Your records are your tool for the present and future management of the business.

Business Checking Account

The first step in setting up your system is to open a separate checking account. Shop around to learn which financial institution charges the price you want to pay and offers the services you need for your operation. Banks are competitive, and prices for services can vary.

Take into consideration the location, reputation, hours of operation, and friendliness of the bank you select. You may be interested in “one-stop shopping.” If your business grows and at some later date you are looking for funding, cultivating a good banking relationship will be a priority.

Visa/MasterCard Privileges

If you plan to offer credit to your customers through Visa/MasterCard, you will want to ask the bank if they provide this service and what the bankcard discount would be. Offering Visa/MasterCard allows your customers to buy without having to pay cash. There is no risk to you of customer no-payment. This security does not come without a cost. The bank charges a percentage of the ticket price, which is called the bankcard

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discount, which is usually determined by the annual dollar amount of credit sales generated through your firm. For the initial year, a percentage is assigned and is adjusted each year thereafter accordingly.

Business Checkbook

Once you have opened the checking account, you will want to use it for all “cash in and cash out.” All money you receive, whether from sales, loans, personal equity advances, or other sources, should be deposited into the checking account. All payments, including deductible expenses and personal withdrawals, should be made by check. This gives you internal control over your most precious asset — cash.

Each deposit made and check written must also be recorded in your business checkbook. Be sure to keep deposit slips and sales invoices or statements on file. These will provide documentation of your business transactions and supply an “audit trail,” should the Internal Revenue Service ever decide to audit your company.

Reconciling Your Bank Statement

A basic principle of good recordkeeping is reconciling your bank statement with your checkbook each month. Normally, because of timing differences, your checkbook balance and the bank statement will not agree if your business has been active. You may have made deposits after the date of the bank statement or written checks that have not yet been cashed. It is also possible that the bank made special debits and credits to your account and included them on the bank statement but that these have not yet been entered into your records. Reconciling your bank statement to your checkbook is the only way to prove your cash account. The balance in your checkbook and the balance on the statement must be adjusted to the true cash balance, with the items causing the difference indicated. Below is an illustration of how to reconcile your bank statement:

Sample Bank Reconciliation as of January 31, 2006

Balance on bank statement	1,609.83
Add deposits not credited:	
1/27	701.33
1/30	380.65
Subtotal	1,081.98
TOTAL	2,675.53
Subtract outstanding checks:	
Check # 88	66.70
Check # 89	9.80
Check # 92	212.47
Check # 93	150.00
Subtotal	438.97
Adjusted balance per bank statement	2,236.56
Balance shown in checkbook	2,240.56
Add deposit of 600.40 for 1/8 entered as 594.40 (difference)	6.00
Subtotal	2,246.56
Subtract bank service charge	(10.00)
<i>Adjusted checkbook balance</i>	2,236.56

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Chart of Accounts

To achieve an efficient bookkeeping system, you must set up a separate account for each item that you plan to record. Every account is titled and numbered and classified as asset, liability, owner's equity, revenue, or expenses. This procedure is known as selecting a chart of accounts for your business. Following is a model:

XYZ COMPANY Chart of Accounts

ASSETS (100-199)

- 100 Cash
- 110 Inventory
- 120 Equipment

LIABILITIES (200-299)

- 200 Loan(s) Payable
- 210 Sales Tax Payable

OWNER'S EQUITY (300-399)

- 300 Jane Doe, Capital
- 310 Jane Doe, Drawing

REVENUE (400-499)

- 400 Merchandise Sales
- 410 Service Sales

EXPENSES (500-599)

- 500 Purchases
- 510 Rent Expense
- 520 Utilities Expense
- 530 Salaries Expense
- 540 Interest Expense
- 550 Supplies Expense
- 560 Advertising Expense
- 570 Miscellaneous Expense

When a business transaction occurs, it must be entered into your records; the amount is entered as an increase or decrease in these accounts. For example, \$150 of merchandise sold is entered into the Merchandise Sales account, increasing the Revenue. Recording the deposit of the \$150 into the checking account increases the Assets - Cash account.

The accounts keep a tally of the monetary activities of your business.

There are no standardized account titles. You will want to select titles that clearly and precisely indicate the nature of the account. The accounts are numbered using at least a three-digit system to allow space for 100 account titles within each classification. However, you should have only as many accounts as necessary to keep tabs on your business operation.

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Daily Summary of Cash Receipts

Not all cash received is income. Cash can come into a business from many sources, including sales income, bank loans, personal advances, interest earned, sale of equipment, and other. Every transaction involving the receipt of cash must be recorded in your bookkeeping system.

To accomplish this, use a Cash Receipts Journal. The form can vary according to the needs of your company. Typically, column headings are used to provide flexibility in identifying affected accounts. Remember that any sales on credit are not entered into a Cash Receipts Journal. This journal is used only to record cash actually received. Following is a model:

Cash Receipts Journal

Date	Explanation		
6/1	Merchandise		
Sales	Sales Tax	Other	Total Received
152.55	10.68	0.00	163.23

Date	Explanation		
6/5	Service		
Sales	Sales Tax	Other	Total Received
80.84	5.66	0.00	86.50

Date	Explanation		
6/12	Merchandise		
Sales	Sales Tax	Other	Total Received
179.84	12.59	0.00	192.43

Date	Explanation		
6/26	Service		
Sales	Sales Tax	Other	Total Received
115.00	8.05	0.00	123.05

Date	Explanation		
6/30	Bank Loan		
Sales	Sales Tax	Other	Total Received
		1,000.00	1,000.00

Date	Explanation		
6/30	Total Cash		
Sales	Sales Tax	Other	Total Received
662.00	46.34	1,000.00	1,708.34

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Disbursements Journal

You must enter daily all expenditures made in cash or checks. These payments from company funds may be made for deductible and nondeductible disbursements. For a particular expense to be deductible when computing your taxable net profit, it must be an “ordinary and necessary” expense incurred in your trade or business for an item that is not a capital asset. A capital asset has a life of more than one year and is subject to special IRS rules in expensing and/or depreciating when you compute profit and loss on your tax return.

Since this journal accounts for all cash out of the business money, it is critical that each disbursement be carefully recorded and supported with objective evidence, usually in the form of a business document such as a supplier’s invoice. Following is a model:

Disbursements Journal

Date	Paid To		
6/1	ABC Advertising		
Check	Acct #	Account Title	Amount
224	560	Adv. Exp.	85.00

Date	Paid To		
6/7	Mark Baker		
Check	Acct #	Account Title	Amount
225	510	Rent Exp.	400.00

Date	Paid To		
6/9	National Grid		
Check	Acct #	Account Title	Amount
226	520	Util. Exp.	125.80

Date	Paid To		
6/17	General Supply		
Check	Acct #	Account Title	Amount
227	500	Purchases	437.95

Date	Paid To		
6/20	Jane Doe		
Check	Acct #	Account Title	Amount
228	310	Drawing	250.00

Date	Paid To		
6/24	NYS Sales Tax		
Check	Acct #	Account Title	Amount
254	210	S.T.Payable	230.07

6/30 Total Payments: \$1,534.61

Note: Two non-deductible disbursements were made—one to New York State to turn over the sales tax collected, and one to Jane Doe for a personal withdrawal.

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Monthly Summary of Cash Receipts and Disbursements

It is important to have information available in summary form with year-to-date balances for each account. These balances provide the data to create financial statements, prepare government reports, and make decisions for operating and controlling the business. Following is a model:

510 Rent Expense Ledger

Date	Increase	Decrease	Cumulative Balance
20XX			
Jan	400.00		400.00
Feb	400.00		800.00
Mar	400.00		1,200.00
Apr	400.00		1,600.00
May	400.00		2,000.00
Jun	400.00		2,400.00

Keeping Records

The IRS says you must keep your records for as long as they may be needed to administer any IRS provision. Keep records that support an item of income or deduction on a return until the statute of limitations runs out — usually three years after the return is due or filed, or two years from the date the tax was paid, whichever occurs later.

You may wish to keep your records for a longer period. For instance, journals and ledgers should be kept indefinitely. Supporting documents can be discarded whenever you stop using them, provided it is past the three-year statute of limitations.

Business Versus Personal Records

Your business records must be kept separate from personal records. Do not commingle funds or information. If you have more than one business, you must keep a set of records for each business. For example, if you own a consulting firm and a car wash, you would need to keep three sets of records: one for each of the businesses and one for your personal records.

Getting Started

Ideally, getting your bookkeeping system up and running would occur at the time the first sales or expense has been incurred. The sooner you have your system in place and ready to accept the information from your business operations, the smoother the job of planning, controlling, and budgeting will be. Be accurate when recording dollar amounts of cash in and cash out, and keep supporting documents in your files. As you get more experienced, this process will become easier to handle. Above all, stay on top of your bookkeeping.

The **IRS website** contains a special section for small business and the self-employed. It offers a broad range of resources across federal and state agencies, as well as industry/profession specific information for self-employed entrepreneurs, employers and businesses.

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Here are the IRS site addresses that might be of specific interest:

Home page for small businesses and self-employed individuals -
<http://www.irs.gov/businesses/small/index.html>

Small business forms and publications - <http://www.irs.gov/formspubs/index.html>

IRS forms in espanol - <http://www.irs.gov/espanol/article/0,,id=132230,00.html>

Frequently Asked Questions - <http://www.irs.gov/faqs/index.html>



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VETERANS' SPECIFIC PROGRAMS

Patriot Express Loan Program

The U.S. Small Business Administration's (SBA) Patriot Express Loan Program is a streamlined loan product based on the successful SBA Express Program, with enhanced guarantee and interest rate characteristics.

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

The Patriot Express Loan is offered by SBA's network of participating lenders nationwide and features SBA's fastest turnaround time for loan approvals. Loans, available up to \$500,000, qualify for SBA's maximum guaranty of up to 85 percent for loans of \$150,000 or less, and up to 75 percent for loans from \$150,000 to \$500,000. (For loans above \$350,000, lenders are required to take all available collateral.) These loans can be used to establish or expand a small business.

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 to 4.75 percent over prime, depending upon the size and maturity of the loan. Local SBA district offices have listings of Patriot Express lenders in their areas.

The Small Business Development Center's network of Veterans' Business Advisors can provide veterans and active military personnel with information about the Patriot Express Loan Initiative. In addition, the SBA has Veterans' Business Development Officers in district offices in every state and territory who can provide military community members with the full SBA range of programs and services.

For those who are already small business owners and who expect call-up, the SBA and its resource partners can: help prepare their businesses before deployment; help manage their businesses; advise how to sell goods and services to the government; obtain other SBA financing and financial assistance; and obtain loans for economic injury – Military Reserve Economic Injury Disaster Loans (MREIDL). MREIDLs of up to \$1.5 million are available for small businesses sustaining economic injury because an owner or essential employee has been called to active duty as a military reservist.

For more details on the initiative, visit www.sba.gov/content/express-programs

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NYBDC Veterans' Loan Program

The New York Business Development Corporation (NYBDC) Veterans' Loan Program provides term loans at a below-market fixed rate for current or former members of the armed forces who are New York State residents and principal owners of New York State businesses. This program is made possible through a loan agreement with the New York State Common Retirement Fund, and the commitment of both the Office of the New York State Comptroller and NYBDC's partner banks to support access to capital for this most deserving group of patriots.

Recent commitments of U.S. military resources around the world draw heavily on New York's Reserve and National Guard forces. (Seventy percent of New Yorkers in uniform belong to Reserve and Guard units.) Many small businesses in New York State have been adversely impacted by the active duty service of an owner. In some cases the sole owner of the business is called away to fulfill a military commitment. A goal of this loan program is to provide affordable, long-term financial assistance to these small business owners to allow them to recover from the business consequences of their deployment.

The Veterans' Loan Program is designed to support the dreams and goals of current or former members of U.S. armed forces who want to start or grow a small business. In this way NYBDC, on behalf of the citizens of New York State, expresses thanks to veterans for their service to the country, and underwrites the growth of small business in New York State.

Loans for working capital, business acquisition, and purchase of real estate, machinery, and equipment are available under this program, which can be combined with other financing offered by NYBDC's lending partners as participants or as separate credit facilities.

Eligible borrowers must be New York State businesses in which the owner(s) of the majority of the equity are New York State residents and members, or honorably discharged veterans, of the United States Armed Forces (including the Regular, Reserve, and National Guard components).

The maximum loan is \$150,000. Approval of the loan is subject to an 85% SBA guaranty. The interest rate is Treasury plus 1.50% (inclusive of the SBA servicing fee).

NYBDC can process the loans as PLP 7(a), conventional 7(a), or under the SBA Patriot Express Loan Program.

For more details on the program, visit www.nybdc.com/loans_veterans.html

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EntreSkills for Veterans™

EntreSkills for Veterans is a comprehensive educational program that can equip you for success in small business and entrepreneurship. EntreSkills for Veterans is a Web-based interactive tool created by veterans for veterans. It can be used as a stand-alone program for service-disabled veterans who have restricted mobility. But it's used most effectively in combination with one-on-one counseling with an SBDC Veteran Business Advisor. *EntreSkills for Veterans* helps you educate yourself in essential business concepts and procedures at your own pace.

EntreSkills for Veterans is built on a very simple premise: Military training and military experience can be excellent preparation for starting your own business.

EntreSkills for Veterans is based upon a highly successful instructional program developed in 2004 by the NYS SBDC's Office of Entrepreneurial Education and the SBDC's corps of professional business advisors, and can be integrated seamlessly into business and entrepreneurship curricula. EntreSkills has been tested in over 150 New York State middle and high schools.

EntreSkills for Veterans takes you through a logical sequence of chapters, each of which broadens and deepens your knowledge of entrepreneurship and builds comprehensively to preparing a finished business plan.

The chapters are:

1. EntreSkills for Veterans
2. Becoming an Entrepreneur
3. Foundations of Business
4. Positioning Your Business
5. Know Your Market
6. How You do Business
7. Developing a Strategy
8. The Marketing Plan
9. Procurement
10. Doing Business on the Internet
11. Doing Business in the Global Marketplace
12. Finances
13. Risk Management & the Small Business
14. Legal Matters
15. Succession Planning
16. Writing the Business Plan
17. Glossary, Help, Resources

Each chapter also refers you to useful, business-related websites and includes Veteran Entrepreneur Discussion Points that allow you to explore all subjects in greater depth. Efforts are under way to qualify *EntreSkills for Veterans* for veteran education benefits reimbursement. For more information, visit the EntreSkills website, at www.entreskills.org.

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APPENDIX A - NEW YORK STATE PROGRAMS

- 1) NYS Department of Labor
- 2) Division of Veteran's Affairs

NYS Dept. of Labor - Veterans Bill of Rights

The New York State Department of Labor's commitment to veterans is:

- To ensure that veterans are treated with courtesy and respect at all New York State Department of Labor facilities
- To give priority referral for jobs to qualified veterans and eligible persons
- To give priority referral for training to qualified veterans and eligible persons
- To give preferential treatment to special disabled veterans in the provision of all needed local office services
- To provide information and referral and assistance to veterans and eligible persons regarding needed benefits and services that may be obtained through other agencies
- In New York State, Chapter 553 of the Laws of 1994 requires that veterans be provided preference for referral to all federally funded employment and training programs administered by or through New York State for which they are otherwise eligible

To benefit from the Department's commitment to veterans, see your local Veterans' Employment Representative. For further assistance or additional information, please call 1-800-342-3358, or visit <http://www.labor.state.ny.us/vets/vetsintropage.shtm>

Services for Veterans

As a veteran, you receive priority service in all New York State Employment and Training programs. We have Veterans' Employment Representatives, who are veterans themselves, specifically trained to assist you in transitioning from the military, finding a new job, or starting a new career! Some of the services we provide include:

- Career assessment
- Referral to jobs
- Contacting employers on your behalf
- Resume preparation assistance
- Information on Federal, State, and Local Civil Service opportunities
- Job search planning
- Labor Market Information
- Information on direct appointment to Civil Service positions
- Referral to other agencies that provide services to veterans

Toll-Free Veterans' Employment Helpline: 1-800-342-3358

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Featured Links

The Key to Career Success campaign connects veterans and transitioning service members with career planning, training and job search resources: <http://www.careeronestop.org/militarytransition/>

The Military to Civilian Occupation Translator helps service members match military skills and experience to civilian occupations: <http://www.acinet.org/acinet/moc/>

Helmets to Hardhats is a free program that opens a pipeline between military service and America's building and construction industry jobs. Acceptance into the building and construction trades is your first step to a great future. Being a member in the building and construction trades entitles you to competitive salaries with consistent raises, pension plans, excellent medical benefits and flexibility when it comes to time off.

Most candidates will enter an apprenticeship program where they learn a trade through on-the-job training supplemented by classroom instruction at state-of-the-art training facilities. Typically, there is no charge for the training and you will be paid for the time you are working. The pay you receive from an employer can be supplemented by education benefits under the G.I. Bill, adding hundreds more dollars each month to your take home pay.

An apprentice's pay increases periodically over the course of the job, and as the apprentice becomes more skilled. Many apprenticeship programs have arrangements allowing individuals to obtain college credit for classroom work. Upon graduation, you will become a journeyman - a craftsman recognized for his or her knowledge and ability in the selected trade. In some cases your military experience can give you credit towards journeyman status and allow you to enter an apprenticeship program at an advanced level or be classified as a journeyman immediately.

Benefits of Joining a Certified Apprenticeship Program

- High pay, great medical insurance and some of the best pension plans in the nation
- High quality training at well-resourced training centers that are recognized by Regional Education Certifying Councils and Boards
- Use your Montgomery GI Bill or other veteran educational benefits
- Earn while you learn. Receive on the job training and get top classroom instruction

To learn more, go to <http://www.helmetstohardhats.com>

Employer Support of the Guard and Reserve (ESGR) is a Department of Defense organization. ESGR was established in 1972 to promote cooperation and understanding between Reserve component members and their civilian employers and to assist in the resolution of conflicts arising from an employee's military commitment.

ESGR has a national network of over 900 volunteer ombudsmen who help resolve issues between employers and their employees who serve in the National Guard and Reserve. ESGR Ombudsmen have successfully mediated more than 95 percent of cases in the past year.

ESGR Ombudsmen are a resource for employers and members of the National Guard and Reserve, and can be reached via e-mail at: USERRA@osd.mil or by phone at: (800) 336-4590.

To learn more about ESGR, go to <http://www.esgr.org/>

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For information, visit the USERRA Advisor at the Dept of Labor website:

<http://www.elaws.dol.gov/elaws/userra.htm>

NYS Department of Labor website: <http://www.labor.state.ny.us/>



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Division of Veterans' Affairs

The New York State Division of Veterans' Affairs was created in 1945 as part of the Executive Department to assist veterans, members of the armed forces, their families, and their dependents in securing benefits earned through military service.

For more than half a century, the division has been a strong advocate for veterans and veteran issues at the local, state, and national level. The NYS veteran counselors are nationally recognized as some of the best in the business. Each one is a veteran, and brings a wealth of knowledge and a desire to help to all fellow veterans in need of assistance.

NY Intake Centers

The Division is organized into two geographical regions, each headed by a Deputy Director responsible for the operation of the local counseling centers. The Deputies are assisted by Senior Counselors who supervise and assist the counselors in providing services to the veterans community.

Eastern Region - Manhattan - (212) 807-3162

NYS Division of Veterans' Affairs

c/o VA Original Office - 245 W. Houston Street, Room 206

New York, NY 10014-4805

(The Eastern Region includes the Adirondacks, mid-Hudson counties, Long Island, New York City, and lower Hudson Counties.)

Western Region - Buffalo - (716) 857-3330

NYS Division of Veterans' Affairs

130 S. Elmwood Ave., Suite 639

Buffalo, NY 14202-2486

(The Western Region includes all of western and central New York.)

Bureau of Education

On October 1, 1997 the Bureau of Veterans' Education was reassigned from the Education Department to the Division of Veterans' Affairs. This is the State approving agency that approves educational institutions for Montgomery GI Bill educational benefits.

Albany Office - (518) 474-7606

NYS Division of Veterans' Affairs

Bureau of Veterans Education

#2 Empire State Plaza, 17th Floor

Albany, NY 12223-1551

New York City Office - (212) 564-8414

NYS Division of Veterans' Affairs

Bureau of Veterans Education

116 W. 32nd Street, 5th Floor

New York, NY 10001

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NYS Property Tax Exemption

NYS Veterans' Property Tax Exemption provides a partial exemption on real property taxes to veterans' of defined periods of war, veterans who received expeditionary medals or certain family members, as allowed by law. There are three levels of benefits, depending on whether the veteran served in combat and/or was disabled. Exemptions are also subject to dollar limitations, pursuant to state and local law.

- An exemption equal to 15 percent of the property's assessed value (or \$3,600, whichever is less) is granted to eligible veterans who served during a specified period of war
- An additional 10 percent exemption (or \$2,400, whichever is less) is available to eligible veterans who served in a combat zone.
- An additional exemption may be granted to eligible disabled veterans equal to the product of the assessed value of the property and 50 percent of the veteran's disability rating (or \$12,000, whichever is less).

* Gold Star parents are not eligible for this portion of the Veterans' Exemption

Who is eligible for the Property Tax Exemption?

To be eligible, an applicant must be one of the following:

- A qualified veteran
- The spouse of a qualified veteran (un-remarried surviving spouse)

What documentation is required to prove eligibility?

- A copy of a Certificate of Release or Discharge from Active Duty
- A copy of deed to home (title must be veterans' or spouses name)

How do you apply?

An Application for Veterans Exemption from Real Property Taxation (Form RP-458) must be filed with the local assessor.

- Application Form
- Evidence of Military Service

Are there deadlines for submitting applications?

Applications must be filed on or before taxable status date (check with your assessor for exact date). The Exemption and Abatement Application for Owners must be received by March 15th for benefits beginning on July 1st of that same year.

For Additional Information: <http://www.veterans.state.ny.us/faq> or 1-888-838-7697

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Blind Annuity

The Blind Annuity Program benefit is for legally blind NYS wartime veterans or their surviving un-remarried spouse. The program authorizes an annuity payment of up to \$1,128.72 per veteran.

Who is eligible for the Blind Annuity?

To be eligible, an applicant must meet the following requirements:

- Resident of New York State
 - Veteran who has been determined legally blind
- AND
- Served on active duty for 90 days or more during any of the following:
April 11, 1899 – July 4, 1902
May 9, 1916 – April 4, 1917
April 6, 1917 – Nov 11, 1918
Dec 7, 1941 – Dec 31, 1946
June 27, 1950 – Jan 31, 1955
Feb 28, 1961 – May 7, 1975
Aug 2, 1990 – End of conflict
- Or, Received the Armed Forces, Navy, or Marine Corps Expeditionary Medal, for participation in:
Lebanon – June 1, 1983 – Dec 1, 1987
Grenada – Oct 23, 1983 – Nov 21, 1983
Panama – Dec 20, 1989 – Jan 31, 1990

How do you apply for the Blind Annuity?

Complete and submit the following forms to the NYS Division of Veterans' Affairs:

- Blind Annuity Application
- Report of Legal Blindness (Form OCFS-4599)
- Evidence of Military Service
- Marriage and Death Certificate (for un-remarried surviving spouse)

What documentation is required to prove eligibility?

- Evidence of Military Service
- Completed Report of Legal Blindness (from eye doctor)
- Marriage or death certificate if applicable

For More Information, Call 1-888-838-7697 or 518-486-3602

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APPENDIX B - VETERAN LOAN PROGRAMS

MREIDL

NYBDC Veterans Loan Program

SBA Patriot Express Loan

US Small Business Administration Military Reservist Economic Injury Disaster Loan Program

Filing Period for small businesses to apply for economic injury loan assistance begins on the date the essential employee is ordered to active duty and ends on the date 90 days after the essential employee is discharged or released from active duty. (NOTE: This program applies to military conflicts occurring or ending on or after 03/24/99)

The purpose of the **Military Reservist Economic Injury Disaster Loan program (MREIDL)** is to provide funds to eligible small businesses to meet its ordinary and necessary operating expenses that it could have met, but is unable to meet, because an essential employee was "called-up" to active duty in their role as a military reservist. These loans are intended only to provide the amount of working capital needed by a small business to pay its necessary obligations as they mature until operations return to normal after the essential employee is released from active military duty. The purpose of these loans is not to cover lost income or lost profits. MREIDL funds cannot be used to take the place of regular commercial debt, to refinance long-term debt or to expand the business.

Federal law requires SBA to determine whether credit in an amount needed to accomplish full recovery is available from non-government sources without creating an undue financial hardship to the applicant. The law calls this credit available elsewhere. Generally, SBA determines that over 90% of disaster loan applicants do not have sufficient financial resources to recover without the assistance of the Federal government. Because the Military Reservist economic injury loans are taxpayer subsidized, Congress intended that applicants with the financial capacity to fund their own recovery should do so and therefore are not eligible for MREIDL assistance.

Credit Requirements: SBA's assistance is in the form of loans, as such SBA must have a reasonable assurance that such loans can and will be repaid.

Collateral Requirements: Loans of \$5,000 or less do not require collateral. Loans in excess of \$5,000 require the pledging of collateral to the extent that it is available. Normally the collateral would consist of a first or second mortgage on the business property. In addition, personal guarantees by the principals of the business are required. The SBA will not decline a loan for lack of collateral, but you must pledge available collateral.

Interest Rate: Interest rates are determined by formulas set by law and recalculated quarterly. The maximum interest rate for this program is 4%.

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Loan Term: The law authorizes loan terms up to a maximum of 30 years. SBA determines the term of each loan in accordance with the borrower's ability to repay. Based on the financial circumstances of each borrower, SBA determines an appropriate installment payment amount, which in turn determines the actual term.

Loan Amount Limit: \$1,500,000: The actual amount of each loan, up to this maximum, is limited to the actual economic injury as calculated by SBA, not compensated by business interruption insurance or otherwise, and beyond the ability of the business and/or its owners to provide. If a business is a major source of employment, SBA has authority to waive the \$1,500,000 statutory limit.

Insurance Requirements: To protect each borrower and SBA, SBA requires borrowers to obtain and maintain appropriate insurance. Borrowers of all secured loans (economic injury loans over \$5,000) must purchase and maintain full hazard insurance for the life of the loan. Borrowers whose property is located in a special flood hazard area must also purchase and maintain flood insurance for the full insurable value of the property for the life of the loan.

Frequently Asked Questions

Q. I've heard that SBA loan applications are complicated and hard to complete. Is this true?

No. The application form asks you for the same information about the business and its substantial owners and managers that generally is required for a bank loan. If you need help, SBA personnel will explain the forms and give you assistance at no charge.

Q. Must I use my own money or try to borrow from a bank before I come to SBA?

No. The resources of the business and its principals will be considered in determining the ability of the business to recover without the assistance of the Federal government.

Q. When should I apply for the loan?

The program applies to military conflicts occurring or ending on or after March 24, 1999. The filing period begins on the date the essential employee is ordered to active duty and ends 90 days after the date the essential employee is discharged or released from active duty.

Q. What documentation do I need to give SBA to apply for his type of loan?

The filing requirements are listed at the beginning of the application. In addition to the financial information required you would normally submit for any loan, your application package must also include the following:

- A copy of the essential employee's "orders" for active duty or copy of their discharge or release papers from active duty status
- A statement from the business owner that the reservist is essential to the day-to-day operations of the business along with a written concurrence by the essential employee
- A written explanation and estimate of how the employee's activation to military service has or will result in the small business experiencing substantial economic injury
- A description of the steps the business is taking to alleviate the economic injury
- A certification from the business owner that the employee will be offered the same job or similar job upon the employee's return from active duty

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Q. What is an essential employee?

An essential employee is an individual (whether or not an owner of the small business) whose managerial or technical expertise is critical to the successful day-to-day operations of the small business.

Q. What is meant by a "period of military conflict"?

Period of military conflict means (1) a period of war declared by Congress, or (2) a period of national emergency declared by the Congress or the President, or (3) a period of contingency operation. A contingency operation is designated by the Secretary of Defense as an operation in which our military may become involved in military action, operations, or hostilities.

Q. What does "substantial economic injury" mean?

Substantial economic injury means that your business either has been or will be adversely impacted by the deployment of the military reservist and that the business is (1) unable to meet its financial obligations as they mature, and/or (2) unable to pay its ordinary and necessary operating expenses, and/or (3) the small business is unable to market, produce or provide a service ordinarily marketed, produced or provided.

Q. When will I know if I get the loan?

That depends on when you file a complete SBA loan application. To make a loan, we must be satisfied that the business can repay the loan from its operations and take reasonable safeguards to help ensure the loan is repaid. We try to make decisions on each application within 7 to 21 days. Be sure the information in your application is complete; missing information is the biggest cause of delay.

Q. How soon can I expect my money?

After we approve the loan, we will tell you what documents are needed to close the loan. Once we receive these documents, we can disburse the funds.

For an application, please contact the Disaster Assistance Customer Service Center at:
(800) 659-2955, or e-mail us at: disastercustomerservice@sba.gov

Completed SBA Disaster Loan Applications May be Submitted to:
Small Business Administration
Processing and Disbursement Center
14925 Kingsport Rd
Ft. Worth, TX 76155-2243

If you have any questions, please call: 1-800-659-2955 or (TTY) (800) 877-8339

For more information, go to:

<http://www.sba.gov/content/military-reservists-economic-injury-loans>

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NYBDC Veterans Loan Program

The **New York Business Development Corporation (NYBDC) Veterans' Loan Program** provides term loans at a below-market fixed rate for current or former members of the armed forces who are New York State residents and principal owners of New York State businesses. This program is made possible through a loan agreement with the New York State Common Retirement Fund, and the commitment of both the Office of the New York State Comptroller and NYBDC's partner banks to support access to capital for this most deserving group of patriots.

Recent commitments of U.S. military resources around the world draw heavily on New York's Reserve and National Guard forces. (Seventy percent of New Yorkers in uniform belong to Reserve and Guard units.) Many small businesses in New York State have been adversely impacted by the active duty service of an owner. In some cases the sole owner of the business is called away to fulfill a military commitment. A goal of this loan program is to provide affordable, long-term financial assistance to these small business owners to allow them to recover from the business consequences of their deployment.

The Veterans' Loan Program is designed to support the dreams and goals of current or former members of U.S. armed forces who want to start or grow a small business. In this way NYBDC, on behalf of the citizens of New York State, expresses thanks to veterans for their service to the country, and underwrites the growth of small business in New York State.

Loans for working capital, business acquisition, and purchase of real estate, machinery, and equipment are available under this program, which can be combined with other financing offered by NYBDC's lending partners as participants or as separate credit facilities.

Eligible borrowers must be New York State businesses in which the owner(s) of the majority of the equity are New York State residents and members, or honorably discharged veterans, of the United States Armed Forces (including the Regular, Reserve, and National Guard components).

The maximum loan is \$150,000. Approval of the loan is subject to an 85% SBA guaranty. The interest rate is Treasury plus 1.50% (inclusive of the SBA servicing fee).

NYBDC can process the loans as PLP 7(a), conventional 7(a), or under the SBA Patriot Express Loan Program.

For more details on the initiative, visit www.nybdc.com/loans_veterans.html

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SBA Patriot Express Loan

The U.S. Small Business Administration's (SBA) **Patriot Express Pilot Loan Program** is a streamlined loan product based on the successful SBA Express Program, with enhanced guarantee and interest rate characteristics.

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

The Patriot Express Loan is offered by SBA's network of participating lenders nationwide and features SBA's fastest turnaround time for loan approvals. Loans, available up to \$500,000, qualify for SBA's maximum guaranty of up to 85 percent for loans of \$150,000 or less, and up to 75 percent for loans from \$150,000 to \$500,000. (For loans above \$350,000, lenders are required to take all available collateral.) These loans can be used to establish or expand a small business.

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 to 4.75 percent over prime, depending upon the size and maturity of the loan. Local SBA district offices have listings of Patriot Express lenders in their areas.

The Small Business Development Center's network of Veterans' Business Advisors can provide veterans and active military personnel with information about the Patriot Express Loan Initiative. In addition, the SBA has Veterans' Business Development Officers in district offices in every state and territory who can provide military community members with the full SBA range of programs and services.

For those who are already small business owners and who expect call-up, the SBA and its resource partners can: help prepare their businesses before deployment; help manage their businesses; advise how to sell goods and services to the government; obtain other SBA financing and financial assistance; and obtain loans for economic injury – Military Reserve Economic Injury Disaster Loans (MREIDL). MREIDLs of up to \$1.5 million are available for small businesses sustaining economic injury because an owner or essential employee has been called to active duty as a military reservist.

For more details on the initiative, visit: www.sba.gov/content/express-programs

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APPENDIX C - FEDERAL PROGRAMS

SBSES

IRS Information for Self-Employment

Small Business and Self-Employment Service (SBSES)

The SBSES is a service of the Office of Disability Employment Policy of the U.S. Department of Labor which provides comprehensive information, counseling and referrals about self-employment and small business ownership opportunities for people with disabilities. Entrepreneurship is an exciting opportunity for people with disabilities to realize their full potential while becoming financially self-supporting. Some of the benefits of self-employment or small business include working at home, control of your work schedule and the independence that comes from making your own decisions.

Who should use the SBSES?

The SBSES can answer questions about starting a business or self-employment practice from:

- People with disabilities
- Service providers
- Friends and family of people with disabilities
- Anyone with an interest in self-employment and small business as career choices for people with disabilities

What information is available?

The knowledgeable staff of the SBSES can provide information and referrals about:

Starting a Business:

- Developing a business concept
- Market research
- Writing a business plan
- Obtaining capital
- Loan guarantees

Managing a Business:

- Technical assistance resources
- Growing a business
- Personnel management
- Financial management
- Developing a marketing plan

Disability Issues:

- Social Security
- PASS plans
- Health care
- Working at home

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How much does it cost?

As with all services provided by the Office of Disability Employment Policy, SBSES information is free. There is no cost for the telephone call or for any materials which are sent. All communications are confidential.

Contact info:

Small Business and Self-Employment Service - Job Accommodation Network

PO Box 6080, Morgantown, WV 26506-6080

Phone: 800-526-7234 (V)/TTY: 877-781-9403/Fax: 304-293-5407

URL: <https://askjan.org/>

E-mail: kcording@wvu.edu



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IRS Information for Self-Employed Individuals

Below you will find information helpful in answering many questions related to being self-employed individuals or independent contractors.

Who is Self-Employed?

If you are in business for yourself, or carry on a trade or business as a sole proprietor or an independent contractor, you generally would consider yourself a self-employed individual. You are an independent contractor if the person for whom you perform services has only the right to control or direct the result of your work, not what will be done or how it will be done.

Independent Contractor (Self-Employed) or Employee?

It is critical that you, the employer, correctly determine whether the individuals providing services are employees or independent contractors. Generally, you must withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages paid to an employee. You do not generally have to withhold or pay any taxes on payments to independent contractors.

Do I Need an Identification Number?

You must have a taxpayer identification number to operate your business. This is generally your social security number, or an individual taxpayer number. However if you have employees, and in some other circumstances, you will need an Employer Identification Number.

Filing Requirements for the Self-Employed

As a self-employed individual, you may be responsible for completing multiple tax forms, depending on your type of business.

IRS e-file for Business and the Self-Employed

Electronic filing and payment options for businesses and self-employed individuals including employment taxes, information returns, partnerships returns, and returns for estates & trusts. You can also electronically file corporate tax returns (Forms 1120/1120S), and returns for exempt organizations (Forms 990/990EZ & 1120 POL).

Publications and Forms for the Self-Employed

A collection of relevant forms and publications related to understanding and fulfilling your filing requirements:

Publications

- Publication 15, Circular E, Employer's Tax Guide
- Publication 15-A, Employer's Supplemental Tax Guide (PDF)
- Publication 225, Farmer's Tax Guide
- Publication 334, Tax Guide for Small Business
- Publication 463, Travel, Entertainment, Gift, and Car Expenses
- Publication 535, Business Expenses
- Publication 541, Partnerships
- Publication 587, Business Use of Your Home (Including Use by Day-Care Providers)
- Publication 4591, Small Business Federal Tax Responsibilities (PDF)

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Forms

- Form 1040, U.S. Individual Income Tax Return (PDF)
- Schedule C (Form 1040), Profit or Loss from Business (PDF)
- Schedule C-EZ (Form 1040), Net Profit from Business (PDF)
- Schedule F (Form 1040), Profit or Loss from Farming (PDF)
- Schedule K-1 (Form 1065), Partner's Share of Income, Credits, Deductions, etc. (PDF)
- Schedule K-1 (Form 1065-B), Partner's Share of Income (Loss) from an Electing Large Partnership (PDF)
- Schedule SE (Form 1040), Self-Employment Tax (PDF)

For more information, visit the IRS Small Business and Self-Employed website:

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



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APPENDIX D

Related Websites

See the following websites for more information, or reference materials:

Abilities Fund - <http://www.abilitiesfund.org/>

Adult Career and Continuing Education Services - <http://www.acces.nysed.gov/>

Americans with Disabilities Act - <http://www.ada.gov/>

Document Center - <http://www.jan.wvu.edu/links/adalinks.htm>

Equal Opportunity Employment Commission - <http://www.eeoc.gov/types/ada.html>

Guide for Small Businesses - <http://www.ada.gov/smbusgd.pdf>

SBA Guide to ADA - <http://www.sba.gov/ada/>

Center for Women Veterans - <http://www1.va.gov/WOMENVET/>

Chamber of Commerce (list of NYS locations) - <http://www.bcny.org/inside/chambers.htm>

Disability Information - <http://www.disabilityinfo.gov>

Disabled American Veterans - <http://www.dav.org/>

Employer Support of the Guard and Reserve - <http://www.esgr.org/>

Guide for Women Veterans (American Legion) -

<http://www.legion.org/documents/legion/pdf/womensguide.pdf>

Health Benefits Service Center - http://www.appc1.va.gov/health_benefits/

Helmets to Hard Hats - <http://www.helmetstohardhats.com>

Homeless Veterans' Reintegration Program -

http://www.dol.gov/vets/programs/fact/Homeless_veterans_fs04.htm

Keys to Career Success - <http://www.careeronestop.org/militarytransition/>

Local Veterans Employment Representatives - <http://www.labor.state.ny.us/vets/vetsintropage.shtm>

Military to Civilian Occupation Translator - <http://www.acinet.org/acinet/moc/>

My Own Business - <http://www.myownbusiness.org/index.html>

National Association of State Women Veteran Coordinators - <http://www.naswvc.com/>

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National Coalition of Homeless Veterans - <http://www.nchv.org/advocacy.cfm>
Women Veterans - <http://www.nchv.org/women.cfm>

National Guard/Reservists Services - <http://www.sba.gov/aboutsba/sbaprograms/reservists/index.html>

New York Business Development Center - <http://www.nybdc.com>

NYS Contract Reporter - <http://www.nyscr.org>

New York State -

State Benefits for Veterans - http://www.veterans.state.ny.us/state_benefits.html

Commission for the Blind & Visually Handicapped - <http://www.ocfs.state.ny.us/main/cbvhl/>

Commission on Quality of Care & Advocacy for Persons w/Disabilities -
<http://www.cqcapd.state.ny.us>

Department of Civil Service - <http://www.cs.state.ny.us>

Workers with Disabilities Program - <http://www.cs.state.ny.us/dpm/e55.cfm>

Department of Education - <http://www.nysed.gov>

Department of Labor - <http://www.labor.state.ny.us>

Guide to Self-Employment - http://www.labor.state.ny.us/business_ny/entrepre/guide.htm

Division of Veteran Affairs - <http://www.veterans.state.ny.us>

Frequently Asked Questions for Veterans - <http://www.veterans.state.ny.us/faq>

Empire State Development - <http://www.empire.state.ny.us> or www.nylovesbiz.com

Small Business - http://www.nylovesbiz.com/Small_and_Growing_Businesses/

Governor's Office of Regulatory Reform - <http://www.gorr.state.ny.us>

Higher Education Service Corporation - <http://www.hesc.org>

Independent Living Council - <http://www.nysilc.org>

Office of Mental Health - <http://www.omh.state.ny.us/>

Permits and licenses - <http://www.nys-permits.org/>

NYS Veteran Business Outreach Center - <http://www.nyvetbiz.com/>

Patriot Express and Military Reservists Loans -

<http://www.sba.gov/aboutsba/sbaprograms/ovbd/loans/index.html>

Office of Veterans Business Development - <http://www.sba.gov/aboutsba/sbaprograms/ovbd/index.html>

Plan to Achieve Self-Support (PASS) <http://www.socialsecurity.gov/disabilityresearch/wi/pass.htm>

SCORE - <http://www.score.org/>

Self Assessment for Entrepreneurship - <http://www.sba.gov/training/selfassessment.html>

Small Business Development Center - <http://www.nyssbdc.org>

Troops to Teachers - http://www.dantes.doded.mil/dantes_Web/troopstoteachers/index.asp

Troops to Truckers - <http://www.troops2truckers.com/truckers/program/>

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Uniformed Services Employment/Reemployment Rights Act -

<http://www.dol.gov/compliance/guide/userra.htm>

United States -

Department of Labor - *<http://www.dol.gov>*

Department of Veterans Affairs - *<http://www.va.gov>*

Publications - *<http://www1.va.gov/vapubs/>*

House Committee on Veterans Affairs - *<http://www.veterans.house.gov/>*

Office of Disability Employment Policy - *<http://www.jan.wvu.edu/sbses/index.htm>*

Senate Committee on Veterans Affairs - *<http://www.senate.gov/~veterans/public/>*

Small Business Administration - *<http://www.sba.gov>*

Social Security Administration - *<http://www.ssa.gov>*

Veterans Benefits Administration - *<http://www.vba.va.gov/VBA/>*

Veterans Business Outreach Centers - *http://www.sba.gov/aboutsba/sbaprograms/ovbd/ovbd_VBOP.html*

Veterans Health Administration - *<http://www1.va.gov/health/index.asp>*

Veterans Health Information Clearing House - *<http://www.health.state.ny.us/nysdoh/veterans/>*

Veterans Homes - *<http://www.nysvets.org/>*

Veterans' Preference Advisor in Federal Jobs - *<http://www.dol.gov/elaws/vetspref.htm>*

Women's Veteran Issues - *<http://www.vba.va.gov/bln/21/Topics/Women/index.htm>*

Women Veterans of America - *<http://www.womenveteransofamerica.com/>*

Wounded Warrior Project - *<http://www.woundedwarriorproject.org/>*

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APPENDIX E

Acronyms and Abbreviations

ACCES	Adult Career and Continuing Education Services
ADA	Americans with Disabilities Act
ARISE	Alternative for Reaching Independence through Services and Engineering
CBVH	Commission for the Blind and Visually Handicapped (NYS)
CQCAPD	Commission on Quality of Care and Advocacy for Persons with Disabilities
CS	Civil Service
CVE	Center for Veterans Enterprise (VA)
DAV	Disabled American Veterans
DIC	Death Indemnity Compensation
DOH	Department of Health (NYS)
DOL	Department of Labor (NYSDOL, USDOL)
DVA	Division of Veteran Affairs (NYS)
DVOP	Disabled Veterans' Outreach Program
EDZ	Economic development zone – now Empire Zones (NYS)
EEOC	Equal Employment Opportunity Commission
ESD	Empire State Development Corporation (NYS)
ESGR	Employer Support of the Guard and Reserve
FAQ	Frequently Asked Questions
GORR	Governor's Office of Regulatory Reform (NYS)
HAL	Handicapped Assistance Loan program
HESC	Higher Education Service Corporation (NYS)
HVRP	Homeless Veterans' Reintegration Program
IDA	Industrial Development Agency
ILC	Independent Living Center
IRS	Internal Revenue Service (US)
MDA	Metropolitan Development Agency
MREIDL	Military Reservists Economic Injury Disaster Loan (US SBA)
NCHV	National Coalition of Homeless Veterans
NYBDC	New York Business Development Center
NYSCR	New York State Contract Reporter

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NYSED	New York State Education Department
NYSILC	New York State Independent Living Council
NYSSBDC	New York State Small Business Development Center
OAPWD	Office of Advocate for Persons With Disabilities (NYS)
OCFS	Office of Child and Family Services (NYS)
ODEP	Office of Disability Employment Policy (US Dept. Labor)
OMH	Office of Mental Health (NYS)
OVBD	Office of Veterans Business Development (SBA)
PASS	Plan for Achieving Self-Support (US Social Security Admin)
POW	Prisoner of War
RLF	Revolving Loan Fund
RSVP	Reemployment Services to Veterans Program (NYS)
SBA	Small Business Administration
SCD	Service-Connected Disability
SCORE	Service Corps of Retired Executives
SEP	Self Employment Planning
SSA	Social Security Administration
SSI	Supplemental Security Disability Income
TEP	Transitional Employment Placement
USERRA	Uniformed Services Employment and Reemployment Rights Act
VA	US Department of Veterans Affairs
VAO	Veteran Affairs Officer
VBA	Veterans Benefits Administration
VBOC	Veterans Business Outreach Centers – small business assistance
VEAP	Veterans Educational Assistance Program
VETS	Veterans’ Employment and Training Service (US DOL)
VHA	Veterans Health Administration
VR	Vocational Rehabilitation
WWP	Wounded Warrior Project

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