U. S. Small Business Administration

WYOMING LENDER ALERT

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Your Small Business Resource

Reactivation of Recovery Loan Quenes for 7(a) and 504 Recovery Act Loans

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") (P.L. 111-5). The Recovery Act authorized SBA to provide fee relief for certain 7(a) and 504 loans and a higher guaranty percentage on eligible 7 (a) loans. Both initiatives have contributed to a significant resurgence in lending to small businesses by SBA's 7(a) lenders and Certified Development Companies (CDCs).

Section 502 of the Recovery Act authorized SBA to guarantee up to 90 percent on eligible 7 (a) loans through February 16, 2010. This authority was extended several more times through May 31, 2010. Fee relief on certain 7(a) and 504 loans under Section 501 of the Recovery Act is authorized until September 30, 2010 or until funds provided for that purpose are exhausted.

As a result of increased lending activity and in anticipation of the end of the availability of Recovery Act funds, the Recovery Loan Queues for conditionally approved 7(a) and 504 Recovery Act loans will again be used effective with the date of this Notice.

Eligible 7(a) loan applications that are in the Recovery Loan Queue and are funded (as evidenced by receipt of an SBA loan number) by May 31, 2010 will be eligible to receive both fee relief and the higher guaranty percentage. However, any application that is in the Recovery Loan Queue that is funded after May 31, 2010, will <u>only</u> be eligible for fee relief, unless Congress again extends the authority for the higher 7(a) guaranty by May 31, 2010. If Congress extends SBA's authority for the higher 7(a) guaranty after May 31, 2010, only those applications received by SBA on or after the effective date of the extension will be eligible to receive the higher guaranty.

Applications submitted as new Recovery Act loans will be processed up to the point of approval and then will be placed into the Recovery Loan Queues awaiting the availability of Recovery Act funds. As Recovery Act funds become available, applications placed into the SBA Recovery Loan Queues will be funded (as evidenced by receipt of an SBA loan number) in the order they were approved by SBA.

Requests for increases for previously approved 7 (a) and 504 Recovery loans will continue to be placed in the Recovery Loan Queues and will be approved as funds become available through the cancellation of loans that were funded from the same appropriations that originally funded the loan. However, if the previously approved loan has a higher guaranty, any request for an increase will need to be approved by SBA by May 31, 2010. After May 31, 2010, for such requests, the amount of the increase will need to be submitted as a new loan request that will be eligible to receive fee relief but not the higher guaranty.

As a reminder, for 7(a) and 504 Recovery loans that were funded from the appropriations provided by the Temporary Extension Act of 2010 (i.e., loans approved between March 2 and March 28, 2010), no requests for increases may

be considered. If the borrower needs additional funds, a new loan application will be required.

At any point while waiting in the SBA Recovery Loan Queues, a lender may ask that a request for an increase be withdrawn and re-submitted as a new, non-Recovery Act loan with all applicable fees and lower guaranty levels. Note: No refund of applicable fees should be expected if additional Recovery Act funding subsequently becomes available. Also, if a loan is approved as a non-Recovery Act loan and additional Recovery Act funding subsequently becomes available, that loan may not be cancelled and re-submitted as a Recovery Act loan.

Applicants will be able to determine where they are in the SBA Recovery Loan Queue by accessing SBA's website. The website address is www.sba.gov/recoveryq.

SBA Field Offices will advise lenders and CDCs of this Notice. Questions concerning this Notice should be directed to the lender relations specialist in the local SBA field office. The local SBA field office may be found at www.sba.gov/wy.

IRS.gov Undergoes a Quiet Evolution—Revealing Invaluable Online Tax Tools for Small Business

Once just the domain of downloadable tax forms and a prime candidate for a Plain Language overhaul, the IRS.gov web site has undergone a low-key, yet shout-out loud, transformation in recent years – and this is good news for small business. The IRS web site (www.irs.gov) is, in fact, now the home of numerous online tools designed to help small businesses and the self-employed better understand their tax obligations as well as help them improve their overall financial literacy. This new customer-centric approach is all about using the speed, ease and accessibility of the web to reduce the administrative burden that can weigh so many entrepreneurs down.

The article then goes on to give a summary of some of the most invaluable online tools and resources that IRS.gov has to offer small businesses. The top two on the list, the IRS Virtual Small Business Tax Workshop and the IRS Video Portal, are links you may already have posted on your websites. NOTE: The IRS Video Portal replaces the Small Business Video and Audio Presentations page (this page still exists, and will link you to the new portal, but that is all it does).

If you don't yet have a link to IRS on your organization's site, here is a suggest posting:

IRS Small Business & Self Employed Tax Center

This section 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.

IRS Virtual Small Business Tax Workshop

Nine interactive lessons designed to help new small business owners learn their tax rights and responsibilities.

IRS Video Portal

The IRS Video Portal offers video and audio presentations on tax topics for small businesses, individuals and tax professionals.

Free Small Business Classes & Webinars

Wyoming Entrepreneur offers classes across the state in face to face and webinar formats. Webinars are monthly. Click below to see what classes are currently scheduled.

Search for Wyoming Small Business Classes

SmallBizU Online Classes

SmallBizU offers online business courses in the 3M's: Money, Marketing, and Management, plus Entrepreneurship. Classes are free.

This service is brought to you by Wyoming Entrepreneur at the University of Wyoming.

Wyoming Entrepreneur offers classes across the state in face to face and webinars formats.

Small Business Administration Classes

Online self-paced, free classes are taught on the subjects of finance and accounting, government contracting, business planning, surviving a slow economy, starting a business, marketing and advertising and business management.

SBA Online Business Classes

IRS Small Business Video and Audio Presentations

Free video presentations about things Wyoming small business owners need to know about business taxes.

Watch IRS Tax Videos

Take Your Business Global

Many small businesses think they aren't large enough to compete in the world marketplace. In fact, 97 percent of all exporters are small businesses. To grow your business, you need to think outside the box and outside the borders.

Today, nearly 96 percent of the world's population lives outside the U.S. Two-thirds of the world's purchasing power is in foreign countries. Luz Hopewell, director of the U.S. Small Business Administration's Office of International Trade, said "Small businesses have a great opportunity to boost sales and profit by exporting, and that will lead to more American jobs and growth."

The advantages of exporting include the competitive edge for high-quality, innovative U.S. goods and services; an increase in purchasing power in foreign markets resulting from a decline in the exchange rate; reduced dependence on the domestic market; stabilized seasonal market and sales fluctuations; and a reduction in trade barriers.

The SBA and other government agencies provide specific export counseling and training programs; will help you identify foreign markets; and can assist with export financing and credit insurance. SBA, the U.S. Commerce Department and the U.S. Export Bank are co-located in many local communities at the one-stop U.S. Export Assistance Centers.

For more information on how SBA and our government partners can help you take your business global, go to http://www.sba.gov then under Resources click on Export Tools, or contact Dennis Chrisbaum, Regional Manager, Export Solutions Group, Office of International Trade at dennis.chrisbaum@sba.gov or phone 303-844-6623, ext 218.

307 261-6505

New Initiatives

Tools for Online Success

"Tools for Online Success" is a new series of web videos developed in partnership with Google. The videos show small business owners advantage of free online marketing and paid advertising, and how to use web analytics. To access the videos go to http://www.google.com/help/sba

Online Training Courses: Winniing Federal Contracts—A Guide for Women Entrepreneurs

The "Winning Federal Contracts" course is designed to help women entrepreneurs learn about the federal procurement process and to prepare them to compete for contracting opportunities. The self-paced guide uses audio and script to provide information about contract rules, how to sell to the government and where to find contracts. The "Winning Federal Contracts" course is available on SBA's web site at: http://www.sba.gov/fedcontractingtraining.

Collecting overdue accounts should not frustrate small business owners

By Daniel Hannaher, Region VIII Administrator

All small business owners know that collecting overdue accounts is especially difficult during a down economy. It's not the most pleasant part of being an entrepreneur, but not handling them expeditiously will almost certainly endanger your business's cash flow and long-term viability. The following are six simple steps that may make the collection process less stressful, and more effective.

1. **Avoid late payments by your customers.** Establish a standard policy for payment and make your customers aware of them before starting work. If you don't have a formal contract, have your customer sign your "Terms and Conditions." Do you require a full or partial payment upfront or will you offer payment terms such as Net 30? Clearly state any surcharges for late payments.

2. **Loose credit terms can create bad debt.** If you provide goods or services on credit, develop qualification standards that are specific, yet fair (e.g., a good credit history from a credit bureau or good bank references). Put your credit policy in writing and make sure all employees understand it. You should also have the policy posted in your store, or available as a handout.

3. **Enforce your credit terms on all transactions.** Your collections policy will do no good unless you enforce it. You will be amazed what a personal phone call can do to encourage a timely payment. If you've met your obligation and a customer has not, you're entirely in the right.

4. **Keep communications channels open.** Don't assume the customer is entirely wrong. Always stay in touch, and make sure they are satisfied with your product or service. If they become delinquent ask politely for an explanation. It may well be that the invoice has been lost or is awaiting approval. A customer with cash flow problems may request extra time. Based on your experience with the customer, you may feel confident enough to allow extra time or installment payments. Make sure you and the customer clearly understand any compromise.

5. **Don't be afraid to take legal action.** If your collection attempts fail, it may be time to turn to an attorney or collections firm. Your course of action will depend on the situation. You may decide the amount of the overdue account does not justify the cost and effort to collect. If so, write it off as a bad debt and move on.

6. **Don't Make the Same Mistake Twice.** Should customers with poor payment histories approach you about working with them or restoring credit, don't immediately refuse unless you are absolutely certain they remain bad risks. Determine if the situation has changed and decide whether it makes sense to restore the relationship. As a precaution, insist on stricter terms such as advance payment or cash-only.

The SBA has a number of resources available to advise business owners on the right course to take when establishing a collection policy. For more information, visit www.sba.gov or call the SBA's Colorado District Office at 303-844-2607.

1. (Daniel Hannaher is the SBA's Region VIII Administrator based in Denver. He can be reached at Daniel.hannaher@sba.gov

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Calendar of Events

June 3— Effective Partnering on Government Contracts, Ethete