

# CITY OF SOUTH BEND

Inclusive Procurement and Contracting Resources

Small Business Development and Resource Toolkit for  
General Business

OFFICE OF DIVERSITY AND INCLUSION

FY 2019





## INTRODUCTION

The Small Business Development & Resource Toolkit offers guidance and support to new and existing businesses. This toolkit is designed for individuals who are may be considering starting a business in the South Bend metro area, or if you are in the early stages of getting your business off the ground and just need a little more support. This resource is not intended to be the only resource you will use. We have included links to some other sources that may also be able to provide further assistance to you and help you further develop your business.

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## **BUSINESS PLAN**

### **WRITE YOUR BUSINESS PLAN (U.S. SMALL BUSINESS ADMINISTRATION -SBA)**

“Your business plan is the foundation of your business. Learn how to write a business plan quickly and efficiently with a business plan template.” Learn how business plans help you run your business, pick a business plan format that works for you, and see examples of business plans.

<https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan>

## **FUNDING YOUR BUSINESS**

### **CALCULATE YOUR STARTUP COSTS**

“How much money will it take to start your small business? Calculate the startup costs for your small business so you can request funding, attract investors, and estimate when you’ll turn a profit.”

<https://www.sba.gov/business-guide/plan-your-business/calculate-your-startup-costs#section-header-0>

“Download this fillable PDF spreadsheet to calculate your small business startup costs.”

<https://www.sba.gov/sites/default/files/2017-07/Startup%20Costs%20Worksheet.pdf>

### **FIVE Cs of CREDIT**

“Improve your chances of getting a loan by learning what lenders look for. When you apply for a loan, lenders assess your credit risk based on a number of factors, including your credit/payment history, income, and overall financial situation. Here is some additional information to help explain these factors, also known as the “5 Cs”, to help you better understand what lenders look for:”

- Credit History
- Capacity/Cash Flow
- Collateral (Guarantees)
- Capital / Contribution
- Condition
  - Leverage-Debt/Worth Ratio
  - Liquidity
  - Balance Sheet Analysis to understand financial health of the company
  - Equity

<https://www.wellsfargo.com/financial-education/credit-management/five-c/>



## **WHAT FINANCIAL RATIOS ARE IMPORTANT TO SMALL BUSINESS LENDERS, BUSINESS OWNERS, AND BUSINESS BORROWERS?**

<http://www.boefly.com/blog/small-business-lending/what-financial-ratios-are-important-to-small-business-lenders-business-owners-and-business-borrowers>

## **A 504 LOAN PROGRAM (BUSINESS DEVELOPMENT CORPORATION)**

### **SBA 504 Benefits & Borrowers Loan Program**

“If you’re expanding, you can access long-term, fixed-rate financing for the purchase of real estate, construction and equipment acquisition through the Small Business Administration (SBA) 504 Loan Program. BDC is approved by the SBA to manage this program, which offers key advantages to qualified businesses that plan to invest in equipment and/or real estate, such as:

Low down payment – conserving valuable operating capital

Competitive, fixed interest rate – no future interest rate fluctuations

Long term – brings debt service in line with the cash flow generated by the asset

Our professional staff will work directly with you and the bank to develop a financing package that meets program guidelines and the credit criteria of your business.”

<http://www.bdcloan.com/sba-504-loan-program/>

## **ACCION**

Accion offers a wide range of loan amounts and will work with you to select a size strategically. Term loans from \$300-\$1,000,000. “If you’re looking for a lender who will take the time to get to know your business’s unique strengths and opportunities, Accion is the lender for you.”

- Loans for Women-Owned Businesses
- Loans for Minority-Owned Businesses
- Loans for Food and Beverage Businesses
- Loans for Startup Businesses
- Loans for Small Businesses
- Loans for Veteran-Owned Businesses
- Business Loans for People with Disabilities
- Loans for Green Businesses

<https://us.accion.org/small-business-loans/who-we-lend-to/>



## **BUSINESS CONSORTIUM FUND, INC.**

“BCF loan programs and business support services are available only to NMSDC certified minority business enterprises that have, or have had within the past 12 months, a vendor or supplier relationship with an NMSDC national or regional corporate member.”

If the answer is yes to each of the following questions, then a business is eligible for consideration for one or more of the BCF loan programs:

1. Is the business a certified minority owned business enterprise by an NMSDC affiliated Regional Council?
2. Is the loan for business purposes?
3. Does the business have contracts/purchase orders, or a meaningful supplier relationship with an NMSDC national or regional corporate member?

“BCF products include purchase order financing, factoring, direct lending, loan participations, and servicing MBE working capital needs. The BCF may provide debt financing directly to NMSDC certified MBEs through its Direct Lending Program. The funds may be used for a variety of purposes and can be in the form of either a term loan or line of credit. The current maximum loan is \$500,000 and the minimum is \$75,000. The BCF will consider higher loan amounts (currently up to \$1.125 million) on a case by case basis. Loan terms may not exceed 7 years.”

<https://www.bcfcapital.com/>

## **ELEVATE VENTURES**

Elevate is part “venture capital fund, and part entrepreneurial development partner. This twofold strategy means we not only provide investment capital to Indiana entrepreneurs and robust investment opportunities to funders, but we also make value-added services available to entrepreneurs and community leaders. Collaborative relationships with universities and communities across the state are critical to this model.”

Businesses that fit the Elevate Ventures model have a few things in common:

- They are a startup based in or interested in relocating to Indiana.
- They are generally involved in Agriculture, Life Sciences, Information Technology, Advanced Manufacturing or Medical Devices.
- They are in the Ideation, Early or Growth stage of development.

<https://www.elevateventures.com/entrepreneurs/investment-funding/>



## **SBA LOAN GUARANTEE PROGRAM**

The SBA guarantees a portion of the loan, which makes it easier for funders to provide loans to small businesses that may fall in a higher risk category. These businesses may not be in a strong enough financial position to obtain traditional bank small business loan and therefore rely on the SBA guarantee.

“Loans guaranteed by the SBA range from small to large (\$500 to \$5.5 million to fund your business) and can be used for most business purposes, including long-term fixed assets and operating capital. Some loan programs set restrictions on how you can use the funds, so check with an SBA-approved lender when requesting a loan. Your lender can match you with the right loan for your business needs.

Lenders and loan programs have unique eligibility requirements. In general, eligibility is based on what a business does to receive its income, the character of its ownership, and where the business operates. Normally, businesses must meet size standards, be able to repay, and have a sound business purpose. Even those with bad credit may qualify for startup funding. The lender will provide you with a full list of eligibility requirements for your loan.”

<https://www.sba.gov/funding-programs/loans>

## **LENDER MATCH (U.S. SMALL BUSINESS ADMINISTRATION)**

Lender Match is a free online referral tool that connects small businesses with participating SBA-approved lenders.

<https://www.sba.gov/funding-programs/loans/lender-match>

## **NON-BANK TYPES OF FINANCING OPTIONS**

### **CROWDFUNDING**

Kickstarter

“Kickstarter is specifically for creative projects in the following categories: Art, Comics, Crafts, Dance, Design, Fashion, Film & Video, Food, Games, Journalism, Music, Photography, Publishing, Technology, and Theater. Make an album, write a book, create an immersive theater experience, score a film — you name it.”

<https://www.kickstarter.com/>



## Kiva

“Kiva is an international nonprofit, founded in 2005 and based in San Francisco, with a mission to connect people through lending to alleviate poverty. We celebrate and support people looking to create a better future for themselves, their families and their communities.”

<https://www.kiva.org/>

## Dealstruck

“It’s very simple, really. Businesses need cash to grow. Fortunately, we are more than just lenders; we connect you with the best and most appropriate resources to help you reach your future faster. You’re not just a faceless client to us, you’re a partner.”

<https://www.dealstruck.com/our-company/>

## Indiegogo

“From concept to market, Indiegogo Entrepreneur Services is here to help. More than a crowdfunding platform, Indiegogo offers services and resources from key partners to empower entrepreneurs throughout the life of their project.”

<https://www.indiegogo.com/>

## **PEER TO PEER LENDING**

### Funding Circle

“When Funding Circle was founded, we could see that businesses weren’t being given the finance to grow, while investors were making poor returns. We had a simple idea — let them support each other. By investing in successful and growing businesses through Funding Circle, investors can diversify their fixed-income portfolios and access attractive returns. Businesses get fast, easy access to financing to grow, create jobs, support local communities and drive the economy forward. We believe it’s better for everyone.”

<https://www.fundingcircle.com/us/simplified-loans>



## Prosper

“Prosper was founded in 2005 as the first peer-to-peer lending marketplace in the United States. Since then, Prosper has facilitated more than \$13 billion in loans to more than 860,000 people.

Through Prosper, people can invest in each other in a way that is financially and socially rewarding. Borrowers apply online for a fixed-rate, fixed-term loan between \$2,000 and \$40,000. Individuals and institutions can invest in the loans and earn attractive returns. Prosper handles all loan servicing on behalf of the matched borrowers and investors.

Prosper Marketplace is backed by leading investors including Sequoia Capital, Francisco Partners, Institutional Venture Partners, and Credit Suisse NEXT Fund.”

<https://www.prosper.com/>

## Lending Club

“Since 2007, we’ve been bringing borrowers and investors together, transforming the way people access credit. Over the last 10 years, we’ve helped millions of people take control of their debt, grow their small businesses, and invest for the future.”

They look for:

- 12 months or more in business
- At least \$50,000 in annual sales
- No recent bankruptcies or tax liens
- You own at least 20% of the business and have at least fair or better personal credit

<https://www.lendingclub.com/loans/personal-loans>

## **MEETING YOUR LEGAL REQUIREMENTS**

### **TYPES OF BUSINESS LICENSES (CITY OF SOUTH BEND)**

<https://southbendin.gov/department/community-investment/business-development/business-licenses/>

(More information on business licensing.)

<https://311.southbendin.gov/knowledgecenter/article/?id=KA-01206>



## **RUNNING A BUSINESS OUT OF A HOME (CITY OF SOUTH BEND)**

“There are certain standards which insure compatibility with other permitted uses and with the residential character of the district and neighborhood in which the home occupation is located. These standards clearly establish the secondary or incidental status of home occupations in relation to the primary use of the lot for dwelling purposes.”

<https://311.southbendin.gov/knowledgecenter/article/?id=KA-01787>

## **NEW AND SMALL BUSINESS RESOURCE CENTER--DETERMINING FORMATION OF YOUR ENTITY (STATE OF INDIANA)**

“Whether you are a sole proprietorship, partnership, corporation, nonprofit, or you’re just not sure, we can help. The New and Small Business Education Center is not only a place to update your information, apply for new taxes, or find the forms you need, it is also a place with valuable resources for your business.”

<https://secure.in.gov/dor/3939.htm>

## **INBIZ (IN.GOV) YOUR ONE STOP SOURCE FOR YOUR BUSINESS (STATE OF INDIANA)**

“INBiz is the state of Indiana’s one-stop resource for registering and managing your business and ensuring it complies with state laws and regulations. We utilize state-of-the-art security features so you can feel safe about inputting your personal and business information into our system.

In partnering with the Secretary of State, Department of Workforce Development and the Department of Revenue, INBiz has created a best-in-class portal that provides a streamlined and expedited process for your business needs.

From registering your business’s name to filing required paperwork, you need go no further than INBiz.”

<https://inbiz.in.gov/BOS/Home/Index>

## **BUSINESS STRUCTURES -TAX CONSIDERATIONS (IRS)**

“When beginning a business, you must decide what form of business entity to establish. Your form of business determines which income tax return form you have to file. The most common forms of business are the sole proprietorship, partnership, corporation, and S corporation. A Limited Liability Company (LLC) is a business structure allowed by state statute. Legal and tax considerations enter into selecting a business structure.”

<https://www.irs.gov/businesses/small-businesses-self-employed/business-structures>



## **EMPLOYER IDENTIFICATION NUMBER (SBA)**

“Your state tax ID and federal tax ID numbers — also known as an Employer Identification Number (EIN) — work like a personal social security number, but for your business. They let your small business pay state and federal taxes. Your Employer Identification Number (EIN) is your federal tax ID. You need it to pay federal taxes, hire employees, open a bank account, and apply for business licenses and permits.”

<https://www.sba.gov/business-guide/launch-your-business/get-federal-and-state-tax-id-numbers#section-header-5>

## **APPLY FOR AN EMPLOYER IDENTIFICATION NUMBER (IRS):**

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

## **OPEN A BUSINESS BANK ACCOUNT**

“Open a business account when you're ready to start accepting or spending money as your business. A business bank account helps you stay legally compliant and protected. It also provides benefits to your customers and employees. Common business accounts include a checking account, savings account, credit card account, and a merchant services account. Merchant services accounts allow you to accept credit and debit card transactions from your customers. You can open a business bank account once you've gotten your federal EIN.”

Things to consider when opening a business checking, saving, merchant services account, or any other business bank account can be found here:

<https://www.sba.gov/business-guide/launch-your-business/open-business-bank-account>

## **RECORDKEEPING WHEN A SMALL BUSINESS/ SELF-EMPLOYED (IRS)**

“Good records will help you monitor the progress of your business, prepare your financial statements, identify sources of income, keep track of deductible expenses, keep track of your basis in property, prepare your tax returns, and support items reported on your tax returns.”

<https://www.irs.gov/businesses/small-businesses-self-employed/recordkeeping>



## INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT

If you are an employer, you must register with the Indiana Department of Workforce Development. “You can register online using the online Uplink Employer Self Service (ESS) program which also allows you to:

- Register as a new employer
- Maintain unemployment insurance account information
- Review account status information
- Submit quarterly unemployment insurance contribution reports
- Make payments by e-check and credit card”

<https://www.in.gov/dwd/2467.htm>

## CONTINUOUS COMPLIANCE

It is important to not only meet the legal requirements, but also maintain compliance with local, state, and federal requirements. You may be required to renew business licenses or permits, or complete annual reports so be sure to keep up to date. Here are other agencies your business may be required to comply with, or may be highly encouraged to comply with, please be aware this is not an exhaustive list:

- [Americans with Disabilities Act](#)
- [Advertising and Marketing Laws \(FTC\)](#)
- [Affordable Care Act \(IRS\)](#)
- [Copyright Laws](#)
- [Equal Employment Opportunity Commission](#)
- [Family and Medical Leave Act](#)
- [Minimum Wage Laws](#)
- [Uniform Guidelines on Employee Selection Procedures](#)
- [Workplace Posters \(DOL\)](#)



## **SBA LEARNING CENTER**

The SBA offers a variety of FREE online courses to help you start and run your business.

<https://www.sba.gov/learning-center>

### **HOW TO WRITE A BUSINESS PLAN (30 MINUTE VIDEO)**

“This course explains the importance of business planning, defines and describes the components of a business plan, and provides access to sample plans and resources that can help you develop a very good business plan.”

<https://www.sba.gov/course/how-write-business-plan/>

### **HOW TO PREPARE A LOAN PACKAGE (30 MINUTE VIDEO)**

“This course is designed to provide a basic overview of loan packaging. It is a practical program with real-world examples and helpful tips. The course is directed to small business owners who are interested in borrowing money to start, grow or expand their businesses.”

<https://www.sba.gov/course/how-prepare-loan-package/>

### **LEGAL REQUIREMENTS FOR SMALL BUSINESS (30 MINUTE VIDEO)**

“As a small business owner, do you know what your federal, state and local legal obligations are? This course will give you an overview of the legal requirements of small business owners.”

<https://www.sba.gov/course/legal-requirements-small-business/>

### **INTRODUCTION TO ACCOUNTING (30 MINUTE VIDEO)**

“This course is designed to provide an overview of accounting, including concepts and terminology.”

<https://www.sba.gov/course/introduction-accounting/>

### **SOCIAL MEDIA MARKETING (30 MINUTE VIDEO)**

“Are you using Social Media to help increase sales of your product or service? Do you lack the basic knowledge to take advantage of the incredible marketing reach that social media offers? This course is designed to show you how to utilize social media marketing to grow your business. You will learn research processes and strategies to help you harness the power of social media marketing.”

<https://www.sba.gov/course/social-media-marketing/>



## LOCAL RESOURCE CENTERS

### **INDIANA SMALL BUSINESS DEVELOPMENT CENTER**

“The Indiana Small Business Development Center (Indiana SBDC) was created to have a positive and measurable impact on the formation, growth, and sustainability of small businesses in Indiana, and to help Hoosier Entrepreneurs start stronger, grow faster, and work smarter.”

#### **NORTH CENTRAL REGIONAL HOST: IU SOUTH BEND**

Judd Leighton School of Business and Economics at Indiana University South Bend  
1700 W Mishawaka Ave  
South Bend, IN 46615  
(574) 520-4126

<https://isbdc.org/locations/north-central-isbdc/>

### **LATIN AMERICAN CHAMBER OF COMMERCE SMALL BUSINESS DEVELOPMENT PROGRAM**

The Latin American Chamber of Commerce is a liaison organization engaging and promoting the economic and social advancement for the Latin community and businesses. Through collaborative opportunities, and leadership, we will contribute to the growth of a diverse community.

418 W. Jefferson Blvd.  
South Bend, IN 46601  
(574) 217-7397

<https://www.laccsjc.org/startingabusiness>

### **PROJECT IMPACT AT THE WEST SIDE SMALL BUSINESS RESOURCE CENTER**

The center will open to stimulate small business development along Lincoln Way and throughout the entire community. It is a neighborhood-based business development center Michiana SCORE plans to help launch to foster small business growth throughout the city.

809 Lincoln Way West  
South Bend, IN 46616

For more information contact:



Aida Walls  
(574) 299-6467  
Email: [aidawalls@adontransforms.org](mailto:aidawalls@adontransforms.org)

## **SCORE**

“SCORE is the nation’s largest network of volunteer, expert business mentors, with more than 10,000 volunteers in 300 chapters. As a resource partner of the U.S. Small Business Administration (SBA), SCORE has helped more than 10 million entrepreneurs through mentoring, workshops and educational resources since 1964.”

SCORE Business Mentor  
1030 East Jefferson Blvd.  
South Bend, IN 46617  
Phone: (574) 310-8097

<https://www.score.org/>

## **SOUTH BEND-ELKHART REGIONAL PARTNERSHIP**

“The South Bend - Elkhart Regional Partnership is a collaboration of the economic development partners from 47 smart connected communities in Northern Indiana and Southwest Michigan. The organization serves as a single point of contact for regional communication and seeks to create economic opportunities for all partner members through collaborative promotion, marketing and capacity building efforts. The Partnership also serves as the Administrator for the Regional Development Authority to allocating regional cities initiative funding to the 26 quality of life projects”

Regina Emberton, CCIM, SIOR  
President and CEO  
[remberton@southbendelkhart.org](mailto:remberton@southbendelkhart.org)

## **STARTUP SOUTH BEND-ELKHART**

Startup South Bend – Elkhart is a program under the South Bend-Elkhart Regional Partnership. “Startup South Bend – Elkhart is a centering catalyst that ignites new business creation and prosperity by leveraging the unique and united assets of the region.” Resources they provide include work spaces, R&D Centers, capital, skills development, advisory services, networking opportunities, and more.

Catlin Bulger  
Startup Ecosystem and Communications Manager  
Email: [cbulger@southbendelkhart.org](mailto:cbulger@southbendelkhart.org) or [startup@southbendelkhart.org](mailto:startup@southbendelkhart.org)

<http://startupsouthbendelkhart.com/>



South Bend | Elkhart Regional Partnership

4477 Progress Drive

South Bend, IN 46628

Phone: (574) 400-5432

<https://southbendelkhart.org/regional-collaboration/south-bend-elkhart-regional-partnership/>

### **SPARK (BUSINESS ACCELERATOR FOR WOMEN)**

Spark is a program under the Women’s Entrepreneurship Initiative (WEI) with Saint Mary’s College. Spark’s mission is to “cultivate the entrepreneurial capacity of women with a combination of personal education, business training, and ongoing professional mentoring to sustainably advance beyond socio-economic boundaries and achieve self-sufficiency.”

<https://wei.saintmarys.edu/wei/entrepreneurship/en/our-program/>

For more information contact:

Willow Wetherall

Project Director, WEI

(574) 284-4059

Email: [wwetherall@saintmarys.edu](mailto:wwetherall@saintmarys.edu)