

SMALL BUSINESS: Referral Information on Programs to Assist Women and Minorities in Establishing and Expanding Small Businesses

Revised October 2000



***Making a difference in
the lives of Iowa women***

Iowa Department of Human Rights
Lucas State Office Building
Des Moines, IA 50319

Telephone: 515/281-4461, 800/558-4427

Fax: 515/242-6119

E-mail: dhr.icsw@dhr.state.ia.us

Web: www.state.ia.us/dhr/sw

SMALL BUSINESS: Referral Information on Programs to Assist Women and Minorities in Establishing and Expanding Small Businesses



IOWA WOMEN'S ENTERPRISE CENTER (IWEC)

iwec@ised.org or cpigsley@ised.org

Christine Mollenkopf-Pigsley, Program Manager
888/849-9589 (in state only)

The Iowa Women's Enterprise Center (IWEC) represents a consortium that brings together three of the state's largest small business assistance providers to expand the entrepreneurial assistance available to women business owners and aspiring women entrepreneurs in Iowa. Together, these organizations have committed themselves to the cause of women's business ownership. They work closely together to provide unified, intensive services to Iowa women - regardless of their geographical location, skill and knowledge level, income level or business type. The Iowa Women's Enterprise Center comprises the following:

1. Institute for Social and Economic Development (ISED) (See Page 4)

ISED provides direct services through the consortium by providing training and technical assistance to economically disadvantaged individuals. For more information about ISED, contact them at 1901 Broadway, Suite 313, Iowa City, IA 52240 or 319/338-2331.

2. Iowa Small Business Development Centers (SBDC) (See Page 5)

Iowa SBDC provides one-on-one technical assistance and business counseling to IWEC clients in rural and urban areas through the 16 SBDC field offices. (See Pages 5-7.) For more information, contact the SBDC Headquarters at Iowa State University, 137 Lynn Avenue, Ames, IA 50014 or 515/292-6351.

3. University of Northern Iowa John Pappajohn Entrepreneurial Center (UNI JPEC)

UNI JPEC provides business development services and technical assistance to IWEC clients in the greater Cedar Falls/Waterloo area. UNI JPEC also provides technology training services to women business owners throughout the state of Iowa through a series of seminars. For more information, contact UNI JPEC at the University of Northern Iowa, Cedar Falls, IA 50614-0130 or 319/273-7350.

IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT (IDED)

200 East Grand Avenue
Des Moines IA 50309
<www.state.ia.us/ided>

1. Targeted Small Business Program (TSB)

The TSB Program was designed by ISED to promote and develop businesses owned by minorities, women, and disabled individuals and to ensure the maximum opportunity to provide quality goods and services to state government. (See page 3 for TSB certification information.)

2. Targeted Small Business Financial Assistance Program

Provides for direct loans, loan guarantees, or equity grants. Loans may be provided to an eligible business at 0-5 percent interest and loan guarantees may cover up to 75 percent of a loan obtained from a bank or other conventional lender. Equity grants may provide the necessary equity to convince a lender to provide a loan to the business. A business may receive up to \$25,000 in the form of a loan or grant, and \$40,000 as a loan guarantee. For more information, call 515/242-4813 or e-mail Donna.Lowery@ided.state.ia.us.

3. Targeted Small Business Procurement Program

Assists certified TSB owners in doing business with the State. State agencies have a goal to purchase 10 percent from certified TSBs. A merged area school, area education agency, or school district shall also establish a procurement goal from certified TSBs of at least 10 percent of the value of anticipated procurements of goods and services, including construction, but not including utility services, each fiscal year. For more information, call 515/242-4721 or e-mail Cathie.Nickel@ided.state.ia.us.

4. Self-Employment Loan Program

Assists low-income persons in establishing or expanding small businesses. The maximum is \$10,000 at a rate not to exceed 5 percent interest. For more information, call 515/242-4793.

5. Comprehensive Management Assistance (CMA)

Provides technical assistance to applicants and recipients of financial assistance from the Department's Strategic Investment Fund. These programs include the Targeted Small Business Financial Assistance Program (TSBFAP) and the Self Employment Loan Program (SELP). Assistance is available to eligible applicants and loan recipients of the SELP Program and to loan recipients of the TSBFAP. Assistance is provided through SBDC and ISED. For more information, call 515/242-4793.

6. Economic Development Set-Aside (EDSA)

Funds are provided through the Economic Development Set-Aside program to communities under 50,000 population, and counties for direct loans or forgivable loans to businesses. Twenty percent of the state's total annual Community Development Block Grant nonentitlement funds are reserved for businesses undertaking projects that create and/or retain employment opportunities principally for low and moderate income individuals. Assistance is restricted to businesses that document that state financial assistance is necessary and appropriate for the project to occur. The maximum award under the EDSA program is \$500,000. For more information, call 515/242-4831 or e-mail Mike.Fastenau@ided.state.ia.us.

7. Community Economic Betterment Account (CEBA)

The purpose of the Community Economic Betterment Account program is to assist communities of the state with their economic activity within the state. The program provides financial assistance to businesses and industries that require

assistance in order to create new job opportunities or retain existing jobs that are in jeopardy. The program may also provide comprehensive management assistance to businesses involved with the CEBA program. Assistance may be provided to encourage new business start-ups, expand existing businesses, or recruit out-of-state businesses to Iowa. For more information, call 515/242-4810 or e-mail Ken.Boyd@ided.state.ia.us.

8. Iowa Small Businesses New Jobs Training Program

Makes low interest loans of up to \$50,000 to design specialized training programs for small businesses. Call 515/242-4878 or go to www.state.ia.us/ided/workforce for more information.

9. Business License Information Center

Provides information on state business licenses, permits, and regulations; assists in identifying funding sources for start-ups and expansions and in getting a business on the supplier lists used by state purchasing agents; and receives input regarding state legislative issues that affect small business. Call 515/242-4750 or 800/532-1216 or e-mail blic@ided.state.ia.us for more information.

10. Iowa Procurement Outreach Center

Assists Iowa businesses in defining marketing opportunities at the state and federal levels and assists firms in competing for government contracts. Iowa Procurement Outreach Center, CIRAS, 2272 Howe Hall, Suite 2620, Ames, IA 50011-2272, 800/458-4465, www.ciras.iastate.edu/ipoc.

11. Community Development Block Grant Program

Makes Housing and Urban Development funds available for fixed assets. For more information, call 515/242-4837.

IOWA DEPARTMENT OF INSPECTIONS AND APPEALS (DIA)

Lucas State Office Building
Des Moines, IA 50319

1. Targeted Small Business (TSB) Certification

The DIA has established rules and procedures to ensure that only bona fide businesses that are owned, operated, and actively managed by Targeted Group Persons participate in the TSB program. A TSB is one that meets the following minimum criteria:

- Must be located in the state of Iowa.
- Must be operating for profit.
- Must have an annual gross income of less than three million dollars computed as an average of the three preceding fiscal years.
- Must be 51 percent or more owned, operated, and actively managed by one or more women, minorities, or persons with disabilities. Contact the Iowa Department of Inspections and Appeals for complete definition of minority and disability.

Certification is obtained by filing an application form with the DIA. This certification application must be filed and approved for a business to be eligible to participate in the state's TSB procurement program, and to qualify for other established financial and technical assistance programs. After the business meets the minimum qualifying standards, the DIA determines if your business satisfies criteria relating to ownership, control, independence, decision-making authority, and ownership contribution. You must recertify your business as a TSB every two years.

A TSB seeking a performance, surety, or bid bond waiver shall submit a sworn statement to the DIA that it is unable to secure bonding due to lack of experience, net worth, or capital. A waiver shall apply only to prime contracts where the project or individual transaction does not exceed \$50,000. Granting a waiver shall not relieve any business from its contractual obligations. The state agency or department may pursue any remedy under law upon default or breach of contract. To contact the Iowa Department of Inspections and Appeals write them at the Lucas State Office Building, Des Moines, IA 50319, call 515/281-7250 or e-mail jcurtis@dia.state.ia.us.

TREASURER OF THE STATE OF IOWA

State Capitol Building, First Floor South
Des Moines, IA 50319
<www.treasurer.state.ia.us>

Linked Investments for Tomorrow (LIFT)

Linked Investments for Tomorrow is a program in which the Treasurer of the State buys a certificate of deposit at below market rates from Iowa financial institutions. The proceeds are then loaned to eligible small businesses at low interest rates. The LIFT Targeted Small Business was formed in 1988 to assist businesses that are at least 51 percent owned, operated, and actively managed by women, minorities, or disabled persons, and was changed to LIFT Focused Small Business on July 1, 1997. For more information on LIFT, call 515/281-3287 or e-mail lift@max.state.ia.us.

- A business may borrow up to \$100,000.
- The business must have annual sales of less than \$2 million.
- The borrower must not have received financial assistance from a LIFT program prior to July 1, 1997.
- The combined net worth of the borrowers and owners of the business may not exceed \$500,000.

- Proceeds of the business may not be used to speculate in real estate or for real estate held for investment purposes.
- Preference is given to those persons less able to afford their own businesses.

IOWA DEPARTMENT OF HUMAN SERVICES

Hoover State Office Building
Des Moines, IA 50319

Iowa's Entrepreneurial Training

Establishes training for Family Investment Program (FIP) participants to start or expand businesses. This includes orientation, assessment, and business and technical assistance. For further information, contact an income maintenance worker in the county office of the Iowa Department of Human Services.

INSTITUTE FOR SOCIAL AND ECONOMIC DEVELOPMENT (ISED)

910 23rd Avenue
Iowa City, IA 52241
800/888-4733
<www.ised.org>

ISED offers a 13-week business training program for low-income persons, women, minorities, and FIP recipients to develop a business plan. This includes business idea development, examination of business feasibility, and assistance with a written business plan. Technical assistance and a business mentor are provided for graduates for one year after business start-up. It also assists individuals in completing loan applications to the Iowa Department of Economic Development's Self-Employment Loan Program and Targeted Small Business programs and in expanding small businesses. The program is offered free of charge to qualified persons in all 99 counties. To contact

ISED in Des Moines, write 1111 Ninth Street, Suite 260, Des Moines, Iowa 50314; telephone, 515/283-0940; or fax, 515/283-0348.

UNITED STATES SMALL BUSINESS ADMINISTRATION (SBA)

749 Federal Building
210 Walnut Street
Des Moines, IA 50309-2186 or

215 Fourth Avenue S.E., Suite 200
Cedar Rapids, IA 52401-1806
<www.sba.gov>

1. Primary Assistance Programs

The SBA is a federal agency established to protect and assist small businesses. Assistance is focused on the following areas:

- Business Development—management assistance through information, counseling, training, and conferences.
- Financial Assistance—loan guarantees, bonding assistance and other direct and indirect financial support.
- Contract Assistance—helping small businesses obtain government contracts.
- Advocacy—representing small business interests before Congress and other federal agencies.

The SBA will send a free Small Business Start-Up Kit, containing an application for Request for Counseling and information materials on starting a small business. It also has an Office of Women's Business Ownership, which assists women starting businesses. Call 515/284-4422 in Des Moines or 319/362-6405 x207 in Cedar Rapids for more information.

2. Pre-qualification Loan Program (Pre-Qual)

The Pre-Qual program is designed to assist small business owners compile a solid loan application and find a lender with the help of a letter of pre-qualification from SBA. The maximum loan amount is \$250,000. SBA will guarantee up to 80 percent of a loan up to \$100,000 and 75 percent of a loan over \$100,000. For more information, call 515/284-4422.

3. Service Corps of Retired Executives (SCORE)

SCORE is a group of retired business men and women who volunteer their time to help people start and/or expand their business. In addition to one-on-one counseling, SCORE offers a number of pre-business workshops. There are 18 SCORE chapters in Iowa with over 450 volunteers. For more information, call 515/284-4760 or access <www.score.org>.

SMALL BUSINESS DEVELOPMENT CENTERS (SBDC)

Iowa State University
137 Lynn Avenue
Ames, IA 50014
<www.iabusnet.org>

The Iowa Small Business Development Centers provide high quality management and technical assistance to pre-business and existing for-profit businesses. Counselors at 16 centers conduct research, counsel, and train business people in managing, financing, and operating small businesses. They also provide comprehensive information services and access to experts in a variety of fields, such as accounting, marketing, bookkeeping, and international trade. Examples of services include assisting with business plan preparation, cash flow projects, loan application preparation, and directing clients toward appropriate sources of capital. The centers are located in major universities and community colleges throughout the state. Most

SBDC services are provided free of charge. Many basic business planning workshops and seminars are held each month at affordable prices.

The Iowa SBDC serves as an intermediary for the SBA's Pre-qualification Loan Program. Under this program, the SBDC will help complete an SBA loan application package to submit to SBA for pre-approval. The SBA can then issue a letter stating the applicant qualifies for a government loan guarantee, which in turn can be used to find a commercial lender to apply for a loan up to \$250,000.

For further information, contact the SBDC nearest you or the state administrative office at Iowa SBDC, 137 Lynn Avenue, Ames, IA 50014; 515/292-6351 or 800/373-7232.

Small Business Development Center Network

State Administrative Office
Small Business Development Center
137 Lynn Avenue
Ames, IA 50014-7126
515/292-6351 or 800/373-7232

Small Business Development Center
Des Moines Area Community College
Circle West Incubator
PO Box 204
Audubon, IA 50025
712/563-2623

Small Business Development Center
Drake University
2429 University Avenue
Des Moines, IA 50311
515/271-2655

Small Business Development Center
Eastern Iowa Community College District
314 West Second Street
Davenport, IA 52801
319/336-3440

Small Business Development Center
Indian Hills Community College
623 Indian Hills Drive, Building 12
Ottumwa, IA 52501
515/683-5127 or 800/726-2585 x5127

Small Business Development Center
Iowa Central Community College
900 Central Avenue, Suite 4
Fort Dodge, IA 50501
515/576-5090
800/362-2793 x2730

Small Business Development Center
Iowa Lakes Community College
1900 N. Grand Avenue, Suite 8
Spencer, IA 51301
712/262-4213

Small Business Development Center
Iowa State University
2501 N. Loop Dr., Bldg. 1, Suite 615
Ames, IA 50010-8283
515/296-7828

Small Business Development Center
Iowa Western Community College
2700 College Road, Box 4C
Council Bluffs, IA 51502
712/325-3260 or 800/432-5852 x376

Small Business Development Center
Kirkwood Community College
2901 Tenth Avenue
Marion, IA 52302
319/377-8256

Small Business Development Center
Northeast Iowa
770 Town Clock Plaza
Dubuque, IA 52001
319/588-3350

Small Business Development Center
North Iowa Area Community College
500 College Drive
Mason City, IA 50401
515/422-4342 or 888/466-4222 x4342

Small Business Development Center
Southeastern Community College
PO Box 180
1015 South Gear Avenue
West Burlington, IA 52655
319/752-2731 x8103
or 800/828-7322 x8103

Small Business Development Center
Southwestern Community College
1501 West Townline Road
Creston, IA 50801
515/782-4161

Small Business Development Center
University of Iowa
108 Pappajohn Business Admin. Bldg.
Suite S160
Iowa City, IA 52242-1000
319/335-3742

Small Business Development Center
University of Northern Iowa
200 East Fourth Street
Waterloo, IA 50703
319/236-8123 or 888/237-8124

Small Business Development Center
Western Iowa Tech Community College
4647 Stone Avenue, Building B, PO Box 5199
Sioux City, IA 51102-5199
712/274-6418 or 800/352-4649 x1305

THE ENTREPRENEURIAL VENTURES ASSISTANCE PROGRAM

The Entrepreneurial Ventures Assistance (EVA) program is designed to encourage and assist in the formation of new technology-based businesses in Iowa. Participating businesses would be provided with technical assistance in business planning, market analysis, and business operations. Financial support would also be provided to qualified firms and could be used for market research and testing, product development, and implementation of initial phases of business plans. EVA would:

- Work closely with institutions that are providing basic entrepreneurial training.
- Provide follow-up technical assistance and management support.
- Provide limited financial assistance to qualified business development projects.

The primary higher education resources to be utilized will be the John Pappajohn Entrepreneurship Centers recently established at the University of Iowa, Iowa State University, the University of Northern Iowa, Drake University, and North Iowa Area Community College. These centers are the result of a commitment made recently by John Pappajohn, an acclaimed business development expert, to stimulate a major improvement in Iowa's capacity to nurture young, technology-based businesses.

Types of assistance available are the following:

- Paying for management consulting services.
- Paying through direct financial assistance.

Eligible applicants must come from manufacturing, processing, or value added service firms that have "graduated" from a John Pappajohn

Entrepreneurship Center. Applicants must have either developed comprehensive business plans and market development programs or demonstrate willingness to work cooperatively with program managers and other technical assistance sources to do so. Size of applicant firms should be under 20 employees with gross sales under \$1 million/year. For more information, contact the JPEC nearest you: Iowa State University, 515/296-7828; University of Iowa, 319/335-0992; North Iowa Area Community College, 515/422-4314; University of Northern Iowa, 319/273-7350; and Drake University, 515/271-2864.

VENTURE OR EQUITY FUNDS/NETWORKS

1. Angel Capital Electronic Network (ACE-Net)

U.S. Small Business Administration
Office of Advocacy
Washington, D.C. 20146
<ace-net.sr.unh.edu>

ACE-Net is a nationwide Internet-based listing service that provides information to angel investors in small, dynamic, growing businesses seeking \$250,000 to \$5 million in equity financing. For more information, call 202/205-6533.

2. Small Business Investment Companies (SBIC)

U.S. Small Business Administration
Investment Division
409 Third Street
Washington, D.C. 20416

or

MorAmerican Capital Corporation (Licensed by the Small Business Administration in Iowa)

701 2nd Street, SE, Suite 800
Cedar Rapids, IA 52401

SBICs were established to fill the gap between the

availability of venture capital and the needs of small businesses in start-up and growth situations. SBICs, licensed and regulated by the SBA, are privately owned and managed investment firms that use private capital, plus funds borrowed at favorable rates with an SBA guarantee, to make venture capital investments in small business. For more information, call 319/363-8249.

3. Venture Capital Resource Fund

Iowa Department of Economic Development
Bureau of Business Finance
200 E. Grand Avenue
Des Moines, IA 50309

The Venture Capital Resource Fund is a fund of the Iowa Business Development Finance Corporation and the Iowa Capital Corporation, both of which are for-profit venture capital corporations. The public/private partners were established with investments from Iowa banks, utility and insurance companies, and the State of Iowa. The Fund's mission is to stimulate economic development and to provide an attractive rate of return to shareholders by investing in businesses with significant growth potential. The Funds generally invest in equity or subordinated debt. For more information, call 515/242-4819.

4. Venture Network of Iowa (VNI)

Iowa Department of Economic Development
Small Business Resource Office
200 E. Grand Avenue
Des Moines, IA 50309

VNI provides a forum for Iowa entrepreneurs, investors, and business advisors to interact with one another. Networking meetings are held bimonthly for entrepreneurs to present ideas to an audience of Iowa's prospective investors. For more information, call 515/242-4750.

5. Other

- **Count Me In**
22 West 26th St, Suite 9H
New York, NY 10010
212/691-6380
<www.count-me-in.org>.
Count Me In for Women's Economic Independence is a national non-profit organization that raises money from women — to be loaned to women. Count Me In is a lending and learning organization dedicated to strengthening women's position in the economy. The money raised is redistributed to qualifying women in the form of small business loans ranging from \$500 to \$10,000 and scholarships for business training and technical assistance.
- Equity Dynamics, Des Moines, 515/244-5746
- Iowa Area Development Group, Des Moines, 515/223-4817
- Investech, Fairfield, 515/472-6484
- Firms may also look to regional councils of government and local development groups that can develop financial incentives for companies that can provide new jobs.

RESOURCE DIRECTORY

1. Guides

- Iowa Small Business Information Packet from the Iowa Department of Economic Development, 200 East Grand, Des Moines, Iowa 50309 or 800/532-1216.

- Iowa Bankers Association offers a Guide to Development Resources, a comprehensive directory listing hundreds of federal, state, regional, and local financial and technical assistance programs. For further information, contact the Iowa Bankers Association for a bank near you that utilizes the resource, 515/286-4300.

2. On-line Information

Ernst & Young Entrepreneur Services

Offers an array of services that help entrepreneurial companies and their investors, including resources for financing, operating strategies, acquisitions and more.

<www.ey.com/entrepreneur/default.htm>

Iowa Economic Trends

Features current Iowa economic news that is useful to business, government, and financial policy-makers.

<www.state.ia.us/trends>

Iowa Network Services Showcase

Offers businesses the opportunity to "showcase" Iowa products and services.

<www.netins.net/showcase>

National Association of Commissions for Women

A resource for women who want to start their own businesses and more.

<www.nacw.org>

National Foundation for Women Business Owners

Find national and local statistics and demographics on women-owned businesses.

<www.nfwbo.org>

Small Business and Effective Web Marketing

Instructs small businesses in the art of developing their own presence on the World Wide Web.

<www.garlic.com/rfwilson/webmarket>

The Women's Business Exclusive

Newsletter for minority and women business owners.

<www.mbemag.com>

The Small Business Advisor

Lists books, reports, consulting resources, and seminars of special interest to entrepreneurs with a new start-up business.

<www.isquare.com/indexnf.htm>

United States Business Advisor

Provides one-stop access to federal information, services and transactions.

<www.business.gov>

United States Census Bureau

All official statistics on women-owned businesses in the United States.

<www.census.gov>

Women's Bureau, United States Department of Labor

A comprehensive site for the latest information on women in the workforce, including in-house publications, statistical data, resources, and reports.

<www.dol.gov/dol/wb/welcome.html>