

# THE VETERANS' BUSINESS OUTREACH PROGRAM

## BUSINESS & RESOURCE PLANNING GUIDE

*Funded in part through a cooperative agreement with the U.S. Small Business Administration. 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 and their Dependents or Survivors.*

*All opinions, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA.*

*Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. Contact the NYSSBDC at 1-800-732-7232 or visit the website: [www.nyssbdc.org](http://www.nyssbdc.org) for the phone number and address of the SBDC office in your area to request arrangements.*

# BUSINESS & RESOURCE PLANNING GUIDE

## CONTENTS

A Letter to Veterans . . . . .	5	Description of Your Business . . . . .	25
Acknowledgments . . . . .	6	For a New Business . . . . .	26
<b>I. <u>Veterans' Business Considerations</u> . . . . .</b>	<b>8</b>	For a Take-Over . . . . .	27
Potential Funding Sources . . . . .	8	For a Franchise . . . . .	28
Big Business vs. Small Business . . . . .	8	The Market . . . . .	28
The Small Business Development Center . . . . .	9	Define Your Market . . . . .	28
First Steps . . . . .	9	A Brief Note on Credit . . . . .	29
Should I Start a Business? . . . . .	10	Pricing . . . . .	29
Funding Sources That Have Proven Successful . . . . .	11	Competition . . . . .	29
The US Small Business Administration . . . . .	11	Location . . . . .	30
US Social Security Administration . . . . .	13	Advertising . . . . .	31
NYS Vocational and Educational Services for Individuals with Disabilities (VESID) . . . . .	13	Planning for Timely Advertising . . . . .	31
Empire State Development . . . . .	14	Media, Copy, and the Internet . . . . .	31
New York Business Development Corporation . . . . .	14	Sources of Advertising Help . . . . .	32
Industrial and Economic Development Agencies . . . . .	14	Budgeting . . . . .	32
Other Types of Funding . . . . .	15	Management . . . . .	33
Sample Veteran Case . . . . .	15	Personal History of Owners . . . . .	33
Community and Economic Development Resources . . . . .	16	Related Work Experience . . . . .	33
Summaries of Other Multiply Funded Veteran Cases . . . . .	17	Duties and Responsibilities . . . . .	34
Funding Through Workers' Compensation and Private Insurance Companies . . . . .	17	Salaries . . . . .	34
Other Funding Methods . . . . .	17	Resources Available to The Business . . . . .	34
What Kinds of Small Business Should I Consider? . . . . .	18	Summary . . . . .	34
Plan for Achieving Self-Support (PASS) . . . . .	19	Personnel . . . . .	34
Sample Application . . . . .	21	Application and Expected Impact of Loan . . . . .	35
<b>II. <u>Small Business Planning Guide</u> . . . . .</b>	<b>23</b>	Financial Plan . . . . .	36
Introduction . . . . .	24	Cash Flow Projection Worksheet . . . . .	37
Suggested Business Plan Outline . . . . .	24	Pro-Forma Balance Sheet . . . . .	39
Cover Sheet . . . . .	25	Pro-Forma Income Statement . . . . .	40
Statement of Purpose . . . . .	25	<b>III. <u>General Business Concepts</u> . . . . .</b>	<b>41</b>
Contents . . . . .	25	Advertising as Part of Your Plan . . . . .	41
		Marketing Plan Format . . . . .	41
		Overall Promotion Strategy . . . . .	42
		Personal Selling . . . . .	42
		Public Relations . . . . .	42
		The Four "Ps" of Marketing . . . . .	42
		Promotion . . . . .	42
		Product . . . . .	43
		Place . . . . .	43
		Price . . . . .	43
		External Factors Affecting the Marketing Mix 43	
		Technological Factors . . . . .	43
		Economic Factors . . . . .	44
		Societal Factors . . . . .	44

## BUSINESS & RESOURCE PLANNING GUIDE

Political and Legal Factors . . . . .	44	V. <u>Appendixes</u> . . . . .	61
Natural Factors . . . . .	44	Appendix A . . . . .	61
Infrastructure Factors . . . . .	44	VESID Self-Employment Planning	
Developing a Marketing Plan . . . . .	44	Appendix B . . . . .	65
Format . . . . .	45	New York State SBDC Network	
Putting It All Together . . . . .	45	NYS Dept. of Civil Service Workers	
Accounting and Record Keeping . . . . .	47	w/Disabilities Program	
Why Keep Good Bookkeeping Records? . . . . .	47	Operation Recognition	
What System Should You Use? . . . . .	47	HESC Vet Programs	
Cash-and-Accrual Methods of		Veteran’s Bill of Rights	
Accounting . . . . .	47	Division of Veteran’s Affairs	
Fundamental Elements of a		Appendix C . . . . .	81
Bookkeeping System . . . . .	48	MREIDL	
Keeping Records . . . . .	51	NYBDC Veterans Loan Program	
Getting Started . . . . .	52	SBA Patriot Express Loan	
IV. <u>Veterans’ Affairs Programs</u> . . . . .	53	Appendix D . . . . .	87
Veterans’ Benefits: An Overview . . . . .	53	VA Benefits for Active Duty Personnel	
Disability Compensation . . . . .	53	Veterans Online Applications	
Agent Orange . . . . .	53	Appendix E . . . . .	90
Radiation . . . . .	54	SBSES	
Gulf War Veterans . . . . .	54	IRS Information for Self-Employment	
Non-Service-Connected Pension . . . . .	54	Appendix F . . . . .	94
Education and Training . . . . .	54	Related Websites	
Health Care Benefits . . . . .	55	Appendix G . . . . .	98
Unauthorized Medical Services . . . . .	55	Acronyms	
72-Hour Notice . . . . .	56	Appendix H . . . . .	101
Financial Assessment . . . . .	56	Statistics	
Billing Insurance Companies . . . . .	56		
Outpatient Pharmacy Services . . . . .	56		
Beneficiary Travel . . . . .	57		
Additional Benefits and Programs . . . . .	57		
Patriot Express Loan . . . . .	58		
NYBDC Veterans Loan . . . . .	59		
EntreSkills for Veterans . . . . .	60		

## BUSINESS & RESOURCE PLANNING GUIDE

### 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 that a veteran might qualify for. 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.

Years ago, when the late John McGuire returned from the Vietnam War and still had time left to serve in the military, the country was ill prepared to receive its veterans. There were few guidance channels to steer veterans into counseling on available benefits. There were few outreach stations at that point in the late 1960s. McGuire and people like him needed direction. They had many skills acquired in military service, and much to offer society.

If veterans feel they have limited options, a guide like this can at least offer direction on available programs. As a veteran, McGuire recommended that all veterans take full advantage of any benefits available through individual counseling and through publications such as this one.

If you are a veteran, use this booklet wisely, as a tool. Follow up with the agencies cited. You'll find counselors who want to help you. They have traveled down that road themselves and know the pitfalls.

Good luck on your journey.

## BUSINESS & RESOURCE PLANNING GUIDE

### ACKNOWLEDGMENTS

We would like to acknowledge a number of people from a variety of agencies and offices for their contributions to veterans, and in particular, for their daily efforts in support of this project.

We would like to thank SBDC's Veteran Business Outreach Center (VBOC) Business Advisors **John Narciso** (Farmingdale), **Howard Wildove** (Albany), and **Joe Giambra** (Buffalo) for their insights and recommendations during the updating process. Their dedication, enthusiasm and commitment to Veterans have led to the high quality services the SBDC provides to veterans.

Thanks, too, to **Ramona Peyton** from the Office of Veterans Business Development at the US Small Business Administration for her wisdom and unwavering support for the Veterans Business Outreach Center (VBOC) program in New York.

For many years, until he retired in 2006, **Mike Ross** was the NYSSBDC program's Statewide Veterans Coordinator and the heart of its veterans program. We would like to thank him for his leadership in the development of veterans' services and his contributions to the development of the first and second editions of the Guide. In addition, we would like to thank Mike for his persistence in seeking approval from the NYS Department of Corrections to let SBDC advisors go into Groveland, Arthurkill and other correctional facilities to teach business planning and other entrepreneurial concepts.

We also would like to thank **Doug Boyce** (Binghamton), **Ann Durant** (Watertown), **Alzie Glickstein** (Bronx), **Homer LaVoie** (Albany), and all the other SBDC Business Advisors who have gone above and beyond the call of duty to provide business assistance to veterans. **Fred Powers**, ARISE counselor, contributed significantly to helping simplify the Plan of Achieving Self-Support (PASS) program. Powers has spent numerous hours helping individuals with disabilities fill out PASS plans, contributing to this guide, and serving as presenter at our workshops. His help has been immeasurable in completing both grant projects.

At the NYSSBDC Central office, thanks to **Al Scher**, for pulling updating numbers from WebMQS for the Veterans' Statistics in Appendix H, as well as for providing numbers for every report the NYSSBDC prepares for SBA. We also would like to thank **David Carnevale** for his excellent contributions in updating the cover and interior design of the Guide, and **Mary Hoffman** for her efforts and guidance.

## BUSINESS & RESOURCE PLANNING GUIDE

### I. VETERANS' BUSINESS CONSIDERATIONS

veterans have received significant funding for business ventures.

There are, however, 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. So 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. The State has created “Economic Development Zones,” which offer numerous benefits and enticements for businesses, manufacturing in particular.

## BUSINESS & RESOURCE PLANNING GUIDE

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 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. The SBDC is a contributing member and participant in the Presidential National Blue Ribbon Panel on Self-Employment, Small Business, and Disability.

As an indication of its success in serving veteran clients, the NYS/SBDC in 1999 became the site of an SBA Veterans' Business Outreach Program (VBOP). VBOP 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. Since program inception, VBOP has counseled almost 24,000 veterans and over 1,000 service-disabled veterans. The program has trained almost 10,000 veterans, over a thousand of them service-disabled. The program has located over \$150 million for veteran businesses. In 2005, the SBA renewed New York's VBOP contract.

The SBDC has worked cooperatively with veterans' organizations in an important joint effort to help veteran entrepreneurs acquire cap-

ital 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 women, veterans, handicapped, and minority entrepreneurs, offering focused one-on-one counseling or targeted training and instructional programs.

### **First Steps**

The first step for any veteran? Develop your individual profile as much as possible. You can do this during a visit to your local veterans' office. If you are a disabled veteran, contact both offices of Veterans' Affairs and Disabled American Veterans with questions about what qualifies for service-connected disability compensation.

You should be able to prove that you were honorably discharged and the dates you served. Generally, the Veterans' Affairs Office, with proper medical verification, will rate the degree of disability—as low as 10 percent to a maximum of 100 percent, or total disability.

Here is a hypothetical case: An applicant who wants to go into business and is considered 100 percent disabled receives 100 percent benefits from the government. The applicant, who had also been exposed to both Agent Orange and nuclear testing, therefore receives specific compensation as well as Social Security benefits, as a permanently disabled individual.

The service-connected funding support will be ongoing, regardless of the success of the business. This insures a steady income. However, Social Security payments may be jeopardized if the business venture is successful. Social Security payments can be protected for up to three years if a proper PASS plan is submitted. (For an explanation of PASS, see

## BUSINESS & RESOURCE PLANNING GUIDE

page 27.)

This veteran could also plug into VESID—Vocational and Educational Services for Individuals with Disabilities. VESID, administered by the New York State Department of Education, can provide a qualified individual with support of up to \$11,000 for a business venture. (See Appendix B for a more detailed description of VESID.)

Thus, in this hypothetical case, the applicant has a fallback base of money from the government, and has real money to invest in the business. It's likely that this applicant could obtain support now from local development agencies, the Small Business Administration (SBA), and/or lending institutions—assuming, of course, that the applicant has a project with the potential for success, a valid market, an in-depth business plan, and a demonstrated business-related skill.

Many small businesses operate as home-based businesses. This means additional opportunities for disabled and non-disabled veterans. The Veterans' Affairs program also continues to offer home loan guarantees to qualified veterans - in many instances, for as much as \$30,000 or more. N.B.: This loan guarantee can act as a veteran's required contribution to the business venture—say, a convenience store, working farm, or garage that includes a residence.

Today, the general public is more aware of the plight of the disabled veteran. For many years, there was general ignorance of the high rate of unemployment among all individuals with disabilities. Government, as well as society, now realizes that this population is capable of gainful activity and of making a significant contribution of time and talent to their communities.

The New York State SBDC has worked with over 1,910 such cases. The economic impact generated by this group has been significant. Over \$10.5 million has been obtained for

new and expanding small businesses owned and operated by disabled men and women. This resulted in the creation of 366 new jobs; another 1191 jobs were saved. Current data suggesting that one job is worth approximately \$30,000 and has a multiplier effect of 1.9 means that approximately \$27 million was added to local economies.

### **Should I Start a Business?**

About 20 percent of disabled veterans counseled usually go forward with their business ventures. Many in the general population experience failure in their attempts to start a business: national figures reflect a success rate of only one out of eight, and there will be failures among disabled veterans as well.

A number of steps can be taken to reduce the chances of failure. For example, proper research and extensive analysis are critical to ensure accurate business projections. Great care must also be taken not to jeopardize funding resources. Even with all this, a disabled veteran may well decide that he or she would be better off not going into business since the risks are too high.

Naturally, SBDC involvement can significantly increase the odds of success. The SBDC has had great impact with non-disabled veterans as well. Almost 26,000 cases have resulted in investments of more than \$307 million for veteran clients and the creation of more than 8,000 jobs, while saving almost 5,000 others. This generates another \$436 million and \$285 million, respectively, in economic impact. Clearly, numerous veterans have been successful.

A good example might be the veteran in Albany—a Veterans' Business Outreach Program (VBOP) client—who wanted to expand his retail business from a free-standing kiosk at a mall into a larger fixed location at the same mall. Before he could do this, the mall management required upfront money in the form of a security deposit and six months' rent—more funds than the veteran had readily

## BUSINESS & RESOURCE PLANNING GUIDE

available. He needed assistance in the preparation of a business plan, cash flow projections, and additional help with the loan application process. The Albany SBDC Veterans' Business Outreach Center (VBOC) business advisor helped him complete a business plan and other financial documents required by financial institutions the veteran was planning to approach. Through these combined efforts, the veteran was granted a \$55,000 SBA-backed bank loan and has now moved his business into a larger fixed store in the mall.

### 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 recommended 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: the Office of Vocational and Educational Services for Individuals with Disabilities (VESID); Empire State Development; Veterans' Association; and the Social Security Administration. 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 advice.

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. Veterans and disabled veterans receive prime consideration from the SBDC, although 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.

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 loan rate is subject to negotiation between the client and lending institution.

*N.B.: 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 would be wise 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, SBAExpress, and Prequalification Loan Programs. 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

## BUSINESS & RESOURCE PLANNING GUIDE

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 closely 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.
- 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.
- **SBA Loan Prequalification Program**, offered to armed forces veterans, minorities, women, exporters, rural small busi-

## BUSINESS & RESOURCE PLANNING GUIDE

ness owners, and business owners in certain specialized industries, this program enables the SBA to prequalify an applicant for a 7(a) loan guaranty before the applicant goes to a bank. The maximum loan amount is \$250,000. SBA-designated intermediaries can work with you to review and strengthen your loan application, apply to the SBA, and upon approval of the application, find an interested lender. The application will focus on your character, credit, experience, and reliability rather than assets.

- **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*

We discussed earlier how 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), mentioned earlier and described in Appendix C.

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.

This would mean that you would have anywhere from \$9,000 to \$18,000 from the Social Security Administration to put into the business

venture. Add to this the VESID funds we discuss next, and the figure could be as high as \$20,000 to \$29,000.

### *New York State Vocational and Educational Services for Individuals with Disabilities (VESID)*

The disabled veteran who wants to submit a PASS plan for consideration should also consider the New York State Office for Vocational and Educational Services for Individuals with Disabilities (NYS VESID). 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 VESID. 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 VESID if the required stability is shown. See Appendix B for a copy of the NYS VESID business plan, as well as all VESID offices in New York State.

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

Submitting a PASS plan and a VESID plan removes two great risks for the disabled veteran. The PASS plan is for a specific trial period and cannot be restored to full benefits without penalties. The VESID plan is not really a loan or a grant; rather, it is an investment in the individual which never has to be repaid. If the business should fail, the disabled veteran has only to return the property. This program is available in many states besides New York.

### *Empire State Development*

New York State is making great strides in meeting the challenges of creating and retaining jobs and encouraging economic prosperity. This

## BUSINESS & RESOURCE PLANNING GUIDE

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.

New York State's Empire Zones (formerly called Economic Development Zones) feature abundant vacant land, existing prime industrial and commercial buildings, skilled workers, and ample power and water resources. The Empire Zones program provides significant benefits to certified businesses (including start-ups) within designated zones.

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](mailto:esd@empire.state.ny.us), or visit their web site at [www.empire.state.ny.us](http://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.

### *Regional Industrial and Economic Development Agencies*

Programs similar to those at Empire State Development exist at local government levels. Some are concerned strictly with improving the industrial base of the region. These are known as county-wide industrial development agencies. Funding is tied to the number of jobs generated or saved.

Most often, the greater the emphasis on manufacturing jobs your business will produce, the larger their financial commitment. The SBDC has used this type of funding as a good supplement when the veteran's business is industrial.

Veterans can also qualify for consideration by municipal, county, town, and regional community development agencies. Almost always,

## BUSINESS & RESOURCE PLANNING GUIDE

these agencies prefer to underwrite manufacturing or industrial projects because manufacturing jobs are well-paying. New jobs in manufacturing also attract positive press—important in obtaining future funding for the agency. This type of agency can also be more flexible than industrial development agencies because, while the migration of manufacturing jobs out of the Northeast has been very serious in recent years, and the competition is keen to obtain and retain manufacturing jobs, these agencies will consider the formation of new jobs of any type if they assist the local economy. This is especially true in areas of urban blight and in rural areas where economic opportunities are limited. In any case, community development funds should be viewed as supplemental rather than as a primary funding resource.

### *Other Types of Funding*

The potential for creative financing is almost limitless. Other funding sources available to veterans and disabled veterans include: State Workers' Compensation; Private Insurance Companies; Gas and Electric Utility Companies; the United States Farm Credit Bureau; and Federal Agriculture Home Administration.

Your Veterans' Affairs and SBDC counselors can help you determine which are applicable to your client profile.

### *Sample Veteran Case*

Let's look at the case of a disabled Vietnam veteran who ran a farm produce stand and who came to the SBDC requesting relief from a business loan through restructuring or borrowing additional funds. The loan had come from the Small Business Administration through its direct loan program, at a 10 percent interest rate.

An extensive review suggested that the best course of action for the veteran was as follows (please remember that in the recent past, the SBA made direct loans and had a handicapped assistance program):

- Request a postponement of the principal payments to the Small Business Administration. The SBA's Veterans' Affairs Officer was helpful in obtaining that variance.
- Obtain an appropriate, up-to-date appraisal of the client's property. The SBDC paid for a fair market appraisal.
- Obtain a personal credit history and review for accuracy and its impact on obtaining financing.
- Help develop a more extensive business plan (many current secondary resources were left out of the initial plan), and consider developing cash flow by using the property as collateral.
- Query the Veterans' Administration (specifically the Disabled American Veterans) to identify the severity of the client's disabilities.
- Initiate an application through the Small Business Administration on behalf of the client, requesting consideration as a Handicapped Assistance Loan Applicant.
- Work with counselors at NYS Office of Vocational and Educational Services for Individuals with Disabilities (VESID) to qualify client for business funds.
- Request consideration from ARISE (Alternative for Reaching Independence through Services and Engineering) in developing the PASS plan.
- Inquire of Empire State Development Corp. if their Rural Area Development Program could be of assistance to the client.

### *Results of These Actions*

The steps listed above show how agencies

## BUSINESS & RESOURCE PLANNING GUIDE

can collectively provide assistance to upgrade the level of gainful activity of individuals with disabilities. Assistance in the form of advice as well as funding can help the client better understand his/her small business venture.

The Small Business Administration was more than willing to allow the necessary time for an SBDC review. The initial perusal suggested that the property was worth significantly more than it was at the inception of the Small Business Administration loan. The SBDC was able to provide funds for an appropriate appraisal, which validated the increased worth of the property.

The increased value, along with a properly developed business plan, made this venture more viable. Several agencies were helpful in clarifying disabilities, which enabled the client to be considered a proper applicant for a Handicapped Assistance Loan. The three percent loan rate allowed the client to pay off the 10 percent note, have money for expansion, and properly resupply his/her farmer's market at approximately the same payment required for the 10 percent loan.

Additional funds for the project came from NYS VESID (for coolers for the farm market); New York State Department of Economic Development (working capital); and Veterans' Administration (voice-activated computers to monitor the business).

The only unsuccessful effort was developing a Plan for Achieving Self Support (PASS). Social Security felt that too many additional funding sources were available to the client—compensation, Agent Orange, Veterans' Benefits, Social Security, etc., to approve a PASS plan. The client could not live within the Social Security guidelines to qualify for PASS.

It is highly questionable that this project would have been properly funded without an adequate business plan. A sound business plan enables a sound business. This business plan identified not only primary income through

cash flow projections but also secondary income support. The secondary income was substantial (Agent Orange Benefits, Veterans' Benefits, and Social Security), which created a positive profile.

Don't be discouraged at the time it takes to identify funding sources. A client with perseverance can make it through the maze of red tape.

### *Community and Economic Development Resources*

Other general funding sources are worth identifying.

A large group of funds is monitored by local economic development agencies throughout the country. Generally speaking, these agencies are community development or economic development agencies whose sources of funds are local tax dollars or federal dollars. Their intent is to improve economic impact by creating jobs or aesthetically improving a neighborhood. These programs can help a client's loan package. In essence, that agency becomes your partner and helps to create a funding "cushion" for the bank.

Here's an example. Say that you are looking to buy a building to house your retail store and have two rental apartments above the store. You have your eye on a specific building. The potential rental space is unoccupied and has many code violations. The building is in a city and a neighborhood that has been designated for reclamation. You go to a bank, make a legitimate offer for the property, and are turned down.

In this case, the SBDC would suggest that you speak to both the city's Economic and Community Development offices. It might be possible to produce the following outcomes.

- Perhaps your building has been designated a historic landmark. There are funds that can be used to rehabilitate the property.
- Perhaps in fixing up your building, you

## BUSINESS & RESOURCE PLANNING GUIDE

are helping to remove “urban blight.” This is the main criterion for obtaining Federal Housing and Urban Development funds.

- Perhaps the city likes your project and is willing to commit up to \$25,000 at 10 percent interest because you are having a positive economic impact.

In this hypothetical case, the chances now might be good for the bank to accept the loan package because now you wouldn’t be looking to them for major financing. Your loan application would consist of you, the city (involving the SBA and Housing & Urban Development), and the bank. Your 10 percent would come from NYS VESID office, and the PASS plan could be utilized for “seed” money. It is conceivable that approximately \$25,000 to \$30,000 could be raised in such a manner.

### *Summaries of Other Multiply Funded Veteran Cases*

Case I, Requested: \$700,000  
 Veteran’s Share . . . . .18%  
 Bank’s Share . . . . . 48%  
 SBA 504 Share . . . . . 34%

Case II, Requested: \$385,000  
 Veteran’s Share . . . . . 5%  
 Economic Development’s Share . . . . . 16%  
 SBA Guarantee . . . . . 50%  
 Local Development’s Share . . . . . 8%  
 Bank’s Share . . . . . 21%

Case III, Requested: \$228,000  
 Veteran’s Share . . . . . 23%  
 Bank’s Share . . . . . 14%  
 Industrial Development’s Share . . . . . 11%  
 SBA Guarantee . . . . . 41%  
 Local Development’s Share . . . . . 11%

Case IV, Requested: \$138,500  
 Veteran’s Share . . . . . 3.6%  
 SBA Guarantee . . . . . 57%  
 Bank’s Share . . . . . 10.6%  
 Revolving Loan Fund . . . . . 28.8%

Case V, Requested: \$300,000  
 Veteran’s Share . . . . . 17%  
 NY Business Development Corp . . . . 23.4%  
 Bank’s Share . . . . . 35%  
 Local Development Corp . . . . . 24.6%

These case summaries are a small sampling of the large number of veteran and disabled veteran cases counseled by SBDC. These cases show how you might use creative financing. You should also take advantage of the free counseling available from the SBDC.

### *Funding Through Workers’ Compensation and Private Insurance Companies*

Two often-overlooked sources of capital for a business venture are workers’ compensation and private insurance companies. Veterans receiving these benefits may wish to consider this option.

Both of these programs are required to pay you a specific insurance benefit for a particular length of time. If you are willing to settle on a mutually agreed-upon lump sum payment, you can use the money to start your business and save money for the insurance programs. Although they will not settle any claim with a client who can’t demonstrate that the business will be a sound investment, one lump sum settlement was as much as \$50,000.

### *Other Funding Methods*

Some veterans have collateralized property to use in their loan package. In some instances, using this collateral is a good way to demonstrate good faith. For clients engaged in a large manufacturing enterprise, every county in New York State has a county Industrial Development Agency or a Metropolitan Development Agency. There are large Chamber of Commerce programs and New York State Economic Development Zones as well. All of these could be sources of funds for projects with the right profile: the potential to create significant industrial and manufacturing jobs.

Clearly, many great financial programs are

## BUSINESS & RESOURCE PLANNING GUIDE

available. The key factors for success are doing your research, formulating a business plan, obtaining good counsel, and perseverance. This guide should also help.

### **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

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

## BUSINESS & RESOURCE PLANNING GUIDE

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  
Manufacturing of expandable polystyrene foam  
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.

### **Plan for Achieving Self-Support (PASS)**

Plan for Achieving Self-Support, or PASS, allows a person with a disability to set aside income/resources to achieve an occupational objective and become self-supporting. An approved PASS participant is eligible for SSI (Supplemental Security Income), or if currently receiving SSI, receives a higher payment.

- A person with a disability who wants to open a small business can set aside income and resources to reach a business goal - and qualify for an SSI cash benefit.

## BUSINESS & RESOURCE PLANNING GUIDE

- A person with a disability who needs education or occupational training to reach an employment goal can set aside income and resources to pay for tuition, books, supplies, fees, and costs associated with this education or training.
- The person must have a disability, qualify for SSI, and be able to manage on SSI cash benefits for food, clothing, shelter, etc.

A PASS is a work incentive designed to provide opportunities and encouragement for people with disabilities to enter or reenter the workforce.

The program can also reduce or eliminate the need for Social Security cash benefits.

A PASS, in short, is a short-term investment to help you realize a long-term gain.

Candidates for a PASS include people with a disability who are:

- receiving, or would like to receive, rehabilitation services (VESID, VA, physical/occupational therapy etc.)
- currently in or would like to enter a school or training program (college, BOCES, SBDC)
- marginally employed or under-employed seeking work or currently working (including self-employment).

Currently, people with disabilities have the primary responsibility for developing a PASS. Unfortunately, most people with disabilities are not prepared to take this on.

The following guidelines should help.

The plan must:

- be designed especially for the individual with a disability;
- be in writing, and include name, Social Security number, and an original signature;

- be approved by SSI at the outset, with amendments signed and approved by SSI;
- include a specific occupational goal and a connection between planned expenses and this goal, which must potentially reduce or eliminate the need for Social Security payments;
- show resources or income the individual can or will be able to set aside. (The set-aside income must be separate from any other money and deposited on a timely basis—weekly/monthly - and must equal total expenses);
- include the starting date of the PASS and can be used only for expenses connected to the occupational goal;
- include the approximate month(s) for the planned spending, the cost of the item(s) to purchase and/or use, and the total of the expenses and how calculated.

A PASS can be written for 18 months; an additional 18 months will be added as an amendment, if you have not reached your occupational goal, and you are following the PASS guidelines. A 12-month extension can be added for an education or training program. At this time, there is no limit on total number of months. All PASS proposals must include an anticipated completion date.

### *Examples of Planned Expenses*

The following list shows types of expenditures that may be planned for to accomplish an occupational objective:

- equipment
- supplies
- operating capital
- consumable goods
- tools for your disability, or general use
- training costs for tuition, books, supplies
- room and board while attending training, trade, or business activities
- private vehicle.

## BUSINESS & RESOURCE PLANNING GUIDE

### SAMPLE COMPLETED PASS APPLICATION

Date: July 15, 2008  
Name: John Doe  
Address: 1124 Sycamore Lane, Anywhere, USA  
SS#: 000-00-0000 Phone: (000) 000-0000

Currently receiving SSDI? YES SSI? YES

1. Occupational objective: My goal is to become a self-employed cabinetmaker. I am a client of VESID, John Smith is my counselor. I have a written business plan. The SBDC, two interns from Syracuse University, and I wrote the plan.

2. Month/year occupational goal is expected to be achieved: I would like to begin my PASS August 1, 2000 by depositing my SSDI check of \$379 into my business account (see checking account). My PASS will be written for 18 months, at which time, I will determine my business needs and decide whether I need an extension.

3. Planned expenditures for achieving occupational goal.

Item	Rent	Utilities	Consumable Goods
Month of expenditure	August '08	August '08	August '08
Connection to Occupational Goal	Place of business	Cost of business	Cost of business
Cost calculation	\$312.50 per month	\$50.00*	\$16.50
Total	\$312.50	\$50.00	\$16.50 = \$379.00

4. What income or resources will be used to accomplish occupational goal?

I will begin depositing my SSDI check of \$379 per month into my PASS account. As the business grows, I will deposit the gross sales into the PASS account. VESID is in the process of preparing an \$11,000 grant. The grant will be used to purchase equipment for the shop and for some needed electrical work.

5. What income and property does the individual expect to receive to achieve the occupational goal?

During the duration of the PASS, I will be accumulating:

Location/Rent \$312.50 per month  
Utilities: \$ 50.00+ per month  
Sales: To be determined  
Equipment: Provided by VESID to start the business.

6. I've been working with VESID since March 2008 and the SBDC since January of 2008 to meet my goal of becoming a self-employed cabinet maker. I have no other resources to meet my goal.

\*Will increase as business grows.

See Appendix C for complete rules regarding PASS for Blind and Disabled People.

# BUSINESS & RESOURCE PLANNING GUIDE

## II. 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

#### 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

## BUSINESS & RESOURCE PLANNING GUIDE

- 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?
- 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

## BUSINESS & RESOURCE PLANNING GUIDE

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.

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 (as well as the previous 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?

## BUSINESS & RESOURCE PLANNING GUIDE

(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?

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 “good will 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.

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

## BUSINESS & RESOURCE PLANNING GUIDE

- charges for the building, equipment, inventory, supplies
- and occasionally, bookkeeping charges.

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, at the same time, be competitive?

### 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

## BUSINESS & RESOURCE PLANNING GUIDE

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, trade publications, marketing consultants, other business persons, 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.

### 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

## BUSINESS & RESOURCE PLANNING GUIDE

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 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 acces-

sibility 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

## BUSINESS & RESOURCE PLANNING GUIDE

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.

### *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.

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

## BUSINESS & RESOURCE PLANNING GUIDE

- 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.

### *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, if it is to be profitable:

- 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.

## BUSINESS & RESOURCE PLANNING GUIDE

### 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 has the requisite experience.

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

- Personal History of Owners, 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
- 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 transferable, 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.

## BUSINESS & RESOURCE PLANNING GUIDE

### 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:

- an accountant
- a lawyer
- an 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.

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, over 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?

## BUSINESS & RESOURCE PLANNING GUIDE

- 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?
- 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 having a list, your loan can be processed faster.

### **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?

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.

## BUSINESS & RESOURCE PLANNING GUIDE

### 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
- 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 (itemized) 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. (see Financial Planning forms on pages 35-38)

**CASH FLOW PROJECTION**

Year One

Cash In-Flows	Month												
	1	2	3	4	5	6	7	8	9	10	11	12	Total
Sales													
Other Income													
<b>Total In-Flows</b>													

Cash Out-Flows	Month												
	1	2	3	4	5	6	7	8	9	10	11	12	Total
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													

<b>Total Out-Flows</b>													
<b>Net Cash Flow</b>													
<b>Beginning Cash Balance</b>													
<b>Ending Cash Balance</b>													

**CASH FLOW PROJECTION**

**Year 2**

		<b>Quarter</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Total</b>
<b>Cash In-Flows</b>	Sales					
	Other Income					
<b>Total In-Flows</b>						
<b>Cash Out-Flows</b>	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						
<b>Total Out-Flows</b>						
<b>Net Cash Flow</b>						
<b>Beginning Cash Balance</b>						
<b>Ending Cash Balance</b>						

**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			

<b>Gross Profit</b>			
---------------------	--	--	--

**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			

<b>Operating Expenses</b>			
---------------------------	--	--	--

<b>Net Income</b>			
-------------------	--	--	--

### III. 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, as well as budget). 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, or the entire creative and production charge if you use an advertising agency. Transfer the total to your master budget, where you can represent

## BUSINESS & RESOURCE PLANNING GUIDE

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.

### 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

## BUSINESS & RESOURCE PLANNING GUIDE

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?

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.

## BUSINESS & RESOURCE PLANNING GUIDE

### *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.

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 with an innovative style strategy in men's sportswear must insure that procurement and promotion information for the latest styles and trends in men's sportswear is detailed in the marketing plan.

## BUSINESS & RESOURCE PLANNING GUIDE

### *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.
- **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.

## BUSINESS & RESOURCE PLANNING GUIDE

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.

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.

## BUSINESS & RESOURCE PLANNING GUIDE

### 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.

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

## BUSINESS & RESOURCE PLANNING GUIDE

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.

### **Fundamental Elements of a Bookkeeping System**

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 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.

## BUSINESS & RESOURCE PLANNING GUIDE

### *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*

<b>Balance on bank statement</b> . . . . .	<b>1,609.83</b>
Add deposits not credited:	
1/27 . . . . .	701.33
1/30 . . . . .	380.65
Subtotal . . . . .	1,081.98
<b>TOTAL</b> . . . . .	<b>2,675.53</b>
Subtract outstanding checks:	
Check # 88 . . . . .	66.70
Check # 89 . . . . .	9.80
Check # 92 . . . . .	212.47
Check # 93 . . . . .	150.00
Subtotal . . . . .	438.97
<b>Adjusted balance per bank statement</b> . . . . .	<b>2,236.56</b>
<b>Balance shown in checkbook</b> . . . . .	<b>2,240.56</b>
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)
Add accrued interest . . . . .	16.28
<b>Adjusted checkbook balance</b> . . . . .	<b>2,252.84</b>

### *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*

<b>ASSETS (100-199)</b>	
100 Cash	
110 Inventory	
120 Equipment	
<b>LIABILITIES (200-299)</b>	
200 Loan Payable	
210 Sales Tax Payable	
<b>OWNER'S EQUITY (300-399)</b>	
300 Jane Doe, Capital	
310 Jane Doe, Drawing	
<b>REVENUE (400-499)</b>	
400 Merchandise Sales	
410 Service Sales	
<b>EXPENSES (500-599)</b>	
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.

## BUSINESS & RESOURCE PLANNING GUIDE

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.

### *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	
<hr/>				
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			
6/21	Merchandise			
Sales	Sales Tax	Other	Total	
Received				
133.77	9.36	0.00	143.13	

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	

### *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.

## BUSINESS & RESOURCE PLANNING GUIDE

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

Date	Paid To		
6/29	Paper Cutter		
Check	Acct #	Account Title	Amount
cash	550	Supplies Exp.	5.79

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.

### *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 & RESOURCE PLANNING GUIDE

### *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.

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 applications -

<http://www.irs.gov/businesses/small/article/0,,id=99200,00.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>

## IV. VETERANS' AFFAIRS PROGRAMS

### Veterans' Benefits: An Overview

Today there are myriad benefits available for veterans, including medical care, service-connected disability compensation, non-service-connected pension, education, home loan guarantee, and others. For information on other benefits and programs, we encourage you to contact the Department of Veterans Affairs directly.

In general, all veterans who have been honorably discharged from any branch of the service are eligible for most programs offered by the VA. Some benefits require service during certain periods or in specific areas, or may be based upon having been a prisoner of war or having a service-connected disability.

The Department of Veterans' Affairs (VA) has established the following dates as wartime service:

*World War I*

April 6, 1917 - November 11, 1918  
(in Russia) April 6, 1917 - April 1, 1920

*World War II*

December 7, 1941 - December 31, 1946

*Korean Conflict*

June 27, 1950 - January 31, 1955

*Vietnam Era*

August 5, 1964 - May 7, 1975

*Persian Gulf Wars*

August 2, 1990 - ????

### Disability Compensation

Monetary benefits, called disability compensation, are paid to veterans who have become disabled by injury or disease incurred or aggravated by service. To qualify for these benefits, a veteran must have been separated or discharged from service under conditions other than dishonorable. The veteran must then establish that he or she has a disability incurred in service, as a result of service, or aggravated by service. Other conditions can be considered for

service-connected disability if they are diagnosed within a specified period following service (one year, in most cases, although there are exceptions). Veterans are encouraged to inquire with the VA or a veterans' service organization such as the Disabled American Veterans (DAV) about what qualifies for service-connected disability compensation.

Many categories of service-connected disability may qualify. For example, former prisoners of war who were incarcerated for 30 days or more will be presumed eligible for service-connected disability if they became disabled by at least 10% at any time after service for specific POW-associated diseases. These diseases are: avitaminosis, beriberi heart disease and ischemic heart disease, chronic dysentery, helminthiasis, malnutrition including optic atrophy, pellagra and other nutritional deficiencies, psychosis, anxiety states and dysthymic disorder or depressive neurosis, post-traumatic osteoarthritis, irritable bowel syndrome, peptic ulcer disease, peripheral neuropathy and residuals of cold injury to include arthritis, neuropathy, or skin cancer.

*Agent Orange*

The VA has recognized nine diseases related to exposure to Agent Orange and other herbicides. These diseases are: chloracne, porphyria cutanea tarda, soft tissue sarcoma, Hodgkins Disease, multiple myeloma, respiratory (lung, larynx trachea) non-Hodgkins lymphoma, prostate cancer, and subacute peripheral neuropathy. The VA presumes exposure to Agent Orange for all personnel who served in Vietnam. Studies continue to determine other possible related conditions.

The VA has also recognized a relationship between service in Vietnam and spina bifida in the children of Vietnam veterans. These children are eligible for vocational training, health care, and a monetary allowance based upon the severity of their condition. The VA has defined

## BUSINESS & RESOURCE PLANNING GUIDE

three levels of compensation based on neurological manifestations that define the severity of the disability, impairment of the functioning of the extremities, impairment of bowel or bladder control, and impairment of intellectual functioning.

### *Radiation*

Veterans exposed to ionizing radiation while on active duty may be eligible for compensation if they have a disability due to that exposure. The VA considers factors such as the amount of radiation exposure, duration of exposure, and elapsed time between exposure and onset of disease. Conditions recognized as radiogenic include all forms of leukemia (except chronic lymphocytic leukemia), cancer of the thyroid, breast, bone, lung, skin, esophagus, stomach, colon, pancreas, kidney, urinary bladder, ovaries, salivary gland, or rectum, posterior subcapsular cataracts, nonmalignant thyroid nodular disease, parathyroid adenoma, tumors of the brain and central nervous system, multiple myeloma, and lymphomas other than Hodgkins Disease. Other conditions may be attributable to exposure to ionizing radiation if a veteran can obtain medical evidence establishing a link between the claimed condition and such exposure. Veterans should contact the VA or a service organization such as the DAV to obtain further information or to file a claim.

### *Gulf War Veterans*

Many Gulf War veterans have developed chronic disabilities resulting from undiagnosed illnesses during their duty in the Persian Gulf. The VA may award disability compensation to veterans if these illnesses developed during active duty or at any time through December 31, 2001.

Symptoms which may be manifestations of an undiagnosed illness include: fatigue, skin disorders, headache, muscle pain, symptoms involving the respiratory system, sleep disturbances, gastrointestinal symptoms, cardiovascular symptoms, abnormal weight loss, and men-

strual disorders. Other symptoms, if chronic, could also qualify a veteran for compensation. Again, veterans are encouraged to inquire with the VA or the DAV if they have any questions.

### *Non-Service-Connected Pension*

Non-Service-Connected Pension is a monetary benefit payable to veterans for conditions not due to service. To qualify, a veteran must have served 90 days or more during any of the listed wartime service dates or have been discharged for a service-connected disability if serving fewer than 90 days during a period of war; serving 90 days or more, part of which must have been during a period of war; or serving an aggregate of 90 or more days in two or more separate times during more than one period of war. In addition, the veteran must be considered permanently and totally disabled and must not exceed statutory income limitations, as set forth by Congress. These income rates and further information are available through the VA.

### *Education and Training*

The VA offers several education and training programs for veterans, depending upon dates of active military service. The Montgomery GI Bill provides a program of education benefits to individuals who entered active duty for the first time after June 30, 1985, and received an honorable discharge. To receive the maximum benefit, the participant must have completed three years of active duty. Also eligible are individuals who had remaining entitlement under the Vietnam Era GI Bill on December 31, 1989, served on active duty between October 19, 1984 and July 1, 1985, and continued to serve on active duty up to July 1, 1988. The Veterans' Educational Assistance Program (VEAP) allows active personnel to have their savings administered and added to by the federal government. These veterans must have entered active duty for the first time after December 31, 1976 or before July 1, 1985.

## BUSINESS & RESOURCE PLANNING GUIDE

The VA also offers a program of education through its Vocational Rehabilitation program. To be eligible, a veteran must have a service-connected disability rated at 20 percent or more, or a service-connected disability of 10 percent that causes a significant employment handicap. The veteran has 12 years from the date of the grant of service-connected disability to complete this program. Seriously disabled veterans may be granted extensions. Veterans are entitled to up to 48 months of education under this program.

### *Health Care Benefits*

To receive health care benefits, veterans after October 1998 must be enrolled with the VA, except for:

- Veterans having a service-connected disability of 50 percent or more
- Veterans discharged less than one year for a compensable disability
- Veterans seeking care for a service-connected disability.

But to permit better planning of health resources, these veterans are also urged to apply for enrollment.

Veterans will be enrolled to the extent that Congressional appropriations allow. If appropriations are limited, enrollment is affected by the following priorities:

- Veterans with service-connected conditions who are rated as at least 50 percent disabled
- Veterans with service-connected conditions who are rated as 30 or 40 percent disabled
- Veterans who are former POWs, who are discharged from active duty for compensable conditions and awarded special eligibility classification, or have disabilities rated at 10 to 20 percent
- Veterans who are receiving aid and attendance or housebound benefits, and

those who have been determined by the VA to be catastrophically disabled

- Nonservice-connected veterans and service-connected veterans rated 0 percent disabled, if their income and net worth are below established thresholds
- All other eligible veterans who are not required to make copayments for their treatment (this includes World War I and Mexican Border War veterans, veterans receiving care for exposure to toxic substances or environmental hazards while in service, and compensable 0 percent service-connected disabled veterans)
- Nonservice-connected and noncompensable 0 percent service-connected disabled veterans who have net income and net worth above the statutory threshold, and who agree to pay copayments. Veterans remain enrolled for one year, after which enrollment is reviewed, depending on available resources. Veterans who are not renewed will be so notified in writing.

### *Unauthorized Medical Services*

Timely claims for reimbursement or payment for not previously authorized hospital care or medical services, including transportation, may be paid:

- For an adjudicated service-connected disability
- For non-service-connected disabilities held to be aggravating an adjudicated service-connected disability
- For any disability in a veteran who has a total permanent disability resulting from a service-connected disability
- For any illness, injury, or dental condition in a veteran participating in a rehabilitation program under Chapter 31, Title 38 USC
- In a medical emergency, care and services not previously authorized and rendered in a medical emergency such that

## BUSINESS & RESOURCE PLANNING GUIDE

- delay would have been hazardous to life or health
- In the case of a VA or federal facility not being feasibly available.

### *72-Hour Notice*

The admission of a veteran to a non-VA hospital at VA expense must be authorized in advance. If an emergency existed at the time of admission, an authorization may be deemed as prior authorization if the veteran or others on his or her behalf formally or informally apply to the VA within 72 hours after admission. Otherwise, the VA may consider defraying the cost only from the date notification of admission was received. Three other points to keep in mind:

- **Prior Approval:** It is in the veteran's best interest to secure authorization from the VA before he or she enters the private hospital. Keep a record of your request for approval of hospitalization.
- **Weekend Notification:** Notifying the VA hospital of a weekend emergency admission to a private hospital is best accomplished by telegram, especially over long holiday weekends.
- **Transfer of Patient:** The VA will make arrangements to transfer the veteran to a VA hospital as soon as his or her condition permits and a bed is available.

### *Financial Assessment*

Former POWs, Mexican Border period veterans, and World War I veterans are not subject to a financial assessment. Other veterans who are not service-connected and not receiving monetary benefits from the VA must complete a financial assessment.

The income of the patient and the incomes of the patient's spouse and dependents are considered in making a "means test" assessment.

Debts are subtracted from income and assets to determine net worth. The value of the

patient's primary residence and personal property are excluded from this determination. The patient must fill out VA Form 10-10f, Financial Worksheet, at the time care is requested. The VA has the authority to compare income information provided by the veteran with information obtained from the Social Security Administration and the Internal Revenue Service.

### *Billing Insurance Companies*

When applying for medical care, all veterans will be asked to provide information about health insurance coverage, including policies held by spouses. The VA is authorized to submit claims to insurance carriers to recover costs for medical care provided to nonservice-connected veterans and service-connected veterans for nonservice-connected conditions. Veterans are not held responsible for the deductible and copayments established by their insurance carriers. They are also not responsible for portions of an insurance claim not covered by the policy. Veterans above certain income levels, however, are responsible for copayments required by federal law.

### *Outpatient Pharmacy Services*

Pharmacy services are provided free to:

- Veterans receiving medication for treatment of service-connected conditions
- Veterans rated with 50 percent or more service-connected disability
- Veterans whose annual incomes do not exceed the maximum VA pension.

Nonservice-disabled veterans and veterans with a service-connected disability of less than 50 percent may be charged \$8 for each 30-day supply of medications.

### *Beneficiary Travel*

Veterans may be eligible for payment or reimbursement for travel costs to receive VA medical care. Travel payments are subject to a \$7.77 deductible for each one-way trip, and an

## BUSINESS & RESOURCE PLANNING GUIDE

\$46.62 per month maximum payment. Two exceptions to the deductible are travel for a compensation or pension examination, and travel by special modes of transportation, such as an ambulance or specially equipped van. Beneficiary travel payments may be made to the following:

- Veterans whose service-connected disabilities are rated at 30 percent or more
- Veterans traveling for treatment of a service-connected condition
- Veterans who receive a VA pension
- Veterans whose income is less than or equal to the maximum VA pension rate
- Veterans whose medical condition requires use of a special mode of transportation, if they are unable to defray the costs and if travel is pre-authorized. (In a medical emergency, travel need not be preauthorized if a delay would be hazardous.)

### *Additional Benefits and Programs*

The VA offers widows' and widowers' benefits in the form of Death Indemnity Compensation (DIC) if a veteran has died on active duty or if a service-connected disability contributed to or materially hastened death. Widows and widowers may qualify for a non-service-connected widow's or widower's pension if the veteran's death was not related to service but occurred during wartime and if the veteran met income standards set forth by law.

The VA offers other programs and services too numerous to list; these include help in adapting specially equipped automobile or

home devices designed to assist people with service-connected disabilities. The VA also continues to offer home loan guarantees to qualified veterans.

And each state also offers various benefit programs and services to veterans and their dependents. Veterans should contact local state veterans' service agencies for information about these benefits.

**If you have additional questions, please call the VA toll-free, at 1-800-827-1000.**

### **Potential Funding Sources**

A review of the graphs in Appendix A dealing with funding/investment for veterans and disabled veterans in New York State shows that

The Veterans Affairs website also contains much useful information. The main site for the VA is: <http://www.va.gov/>

Veterans Affairs Forms can be found at: <http://www.va.gov/vaforms/>

Veterans Affairs benefit fact sheets in English: <http://www.vba.va.gov/VBA/benefits/factsheets/index.asp#BM1>

in Espanol: <http://www.vba.va.gov/VBA/espanol/factsheets/>

On-Line Claims Applications: <http://www.va.gov/onlineapps.htm>

Frequently Asked Questions: [https://iris.va.gov/scripts/iris.cfg/php.exe/enduser/std\\_alp.php](https://iris.va.gov/scripts/iris.cfg/php.exe/enduser/std_alp.php)

VA now accepts on-line applications for disability compensation, pension, education, and vocational rehabilitation and employment benefits from veterans, survivors and other claimants without the additional requirement to submit a signed paper copy of the application.

## BUSINESS & RESOURCE PLANNING GUIDE

### PATRIOT EXPRESS LOAN PROGRAM

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). MREDILs 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/patriotexpress/](http://www.sba.gov/patriotexpress/).

## BUSINESS & RESOURCE PLANNING GUIDE

### 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.

## BUSINESS & RESOURCE PLANNING GUIDE

### 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 or CD-ROM-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. Turning Your Military Experience into Business Success
2. So You Want to Be an Entrepreneur
3. What Type of Business Should You Start?
4. Creating Your Business Strategy
5. The Law and You
6. Marketing
7. Managing Your Business
8. People Side of Business
9. Financial Statements
10. Sources of Funding
11. Building Your Business Plan
12. Additional Resources

Each chapter also refers you 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 NYS SBDC website, at [www.nyssbdc.org/veterans/veterans.html](http://www.nyssbdc.org/veterans/veterans.html).

# BUSINESS & RESOURCE PLANNING GUIDE

## APPENDIX A

### VESID Self-Employment Planning

## BUSINESS & RESOURCE PLANNING GUIDE

### **What Is VESID?**

VESID, the Office for Vocational and Educational Services for Individuals with Disabilities, is part of the New York State Education Department. VESID helps people who have disabilities, and are eligible for Vocational Rehabilitation (VR) services, find and keep suitable employment. Jobs might be in the competitive workforce, in self-owned businesses, in the home, in sheltered workshops, or in supported employment in the community. VESID helps decide whether you are eligible for services and helps you develop and reach an employment goal.

VESID has 15 district offices to serve you throughout New York State. Call 1-800-272-5448 toll-free or visit the website at <http://www.vesid.nysed.gov/>

### **What Happens When I Contact VESID?**

When you contact VESID, a VR representative will be assigned to work closely with you. You will be asked for information about your background that will help determine if and how agencies like the SBDC can work with you. VESID will ask about your goals and interests, education, work history, financial situation, and physical and emotional health. With your permission, VESID will gather information from your doctor, hospital, school, or ask that you go for evaluations, at VESID's expense.

Information about your disability will help VESID decide if you are eligible for services. This information will also be important as you plan your VR services with your counselor.

If you are planning to open a small business, VESID may assist you in getting occupational licenses, tools, initial stock, and supplies. VESID will also work closely with other agencies, such as the Social Security Administration, Department of Social Services, Office of Mental Health, and the Veterans' Administration.

### **How Much Will VESID Services Cost?**

There is no cost for meeting with a VESID counselor or for seeing if VESID can help you become employed. Once you are declared eligible, the cost of sponsorship for services may be based on your income and/or family resources.

It is the VESID goal to provide the highest-quality vocational rehabilitation and living services to all eligible persons as quickly as possible, so they can work and live independent, self-directed lives.

### **Self-Employment Planning**

Your VESID counselor will ask you to complete the Self-Employment Planning package if you are considering starting your own business. The package gives you a good idea of what is involved in being self-employed.

## BUSINESS & RESOURCE PLANNING GUIDE

### VESID Offices

New York State Education Department  
Vocational and Educational Services for Individuals with Disabilities  
Vocational Rehabilitation Services  
One Commerce Plaza, Room 1603  
Albany, New York 12234  
Phone: 518-474-1711 or 1-800-222-JOBS(5627)  
Email: vesidadm@mail.nysed.gov

### District Office Locations:

#### **Albany**

80 Wolf Road, Suite 200  
Albany, NY 12205  
Telephone: (518) 473-8097  
TTY: (518) 457-2318  
Fax: (518) 457-4562  
800-272-5448

#### **Bronx**

1215 Zerega Avenue  
Bronx, NY 10462  
(718) 931-3500  
(718) 828-4003 TTY

#### **Brooklyn**

New York State Office Building  
55 Hanson Place, Second Floor  
Brooklyn, NY 11217-1580  
Phone: (718) 722-6701 or 722-6700  
TTY: (718) 722-6736  
Fax: (718) 722-6714

#### **Buffalo**

508 Main Street  
Buffalo, NY 14202  
716-848-8001  
Toll Free: 1-888-652-7062  
TTY: 716-848-8105  
Fax: 716-848-8103

#### **Hauppauge**

Veterans Highway  
Hauppauge, NY 11788  
Telephone: (631) 952-6357  
TTY: (631) 952-6370  
Fax: (631) 952-5826  
800-441-0320

#### **Hempstead**

50 Clinton Street Room 708  
Hempstead, NY 11550  
Telephone 516 483-6510  
FAX 516 483-6058  
TTY 516 483-6087

#### **Malone**

209 West Main St, Suite 3  
Malone, NY 12953  
Phone: 518.483.3530 or 800.882.2803  
Fax: 518.483.3552  
TTY: 518.483.6070  
or Relay Service at 800.421.1220

#### **Manhattan**

116 West 32nd Street  
New York, NY 10001  
Phone: (212) 630-2301 or (212) 630-2302

#### *Harlem Satellite Office*

7th Floor - Room 713  
163 West 125th Street  
Adam Clayton Powell Jr. State Office Building  
New York, NY 10027

#### *Staten Island Satellite Office*

Serving Staten Island  
1139 Hylan Boulevard  
Staten Island, NY 10305

## BUSINESS & RESOURCE PLANNING GUIDE

### **Mid-Hudson**

Manchester Mill Centre  
301 Manchester Road - Suite 200  
Poughkeepsie, NY 12603  
Telephone: (845) 452-5325  
TTY: (845) 452-2910  
Fax: (845) 452-5336  
877-VOC-REHB

*Kingston Satellite Office*  
65 Albany Avenue-Suite E  
Kingston, NY 12401  
Telephone: (845)339-4270  
TTY/TDD: (845)339-4254  
Fax: (845)339-4620

*Middletown Satellite Office*  
200 Midway Park Drive  
Middletown, NY 10940  
Telephone: (845)346-4260  
TTY/TDD: (845) 343-4969  
Fax: (845)343-3358

### **Queens**

59-17 Junction Blvd. - 20th Floor  
Corona, NY 11368  
Phone: (347) 510-3100 Reception Desk  
TTY: (718) 760-8835  
Fax: (718) 760-9554

### **Rochester**

109 S. Union Street  
Rochester, New York 14607  
(585) 238-2900  
TTY: (585) 325-6278  
(800) 462-0178  
Fax: (585) 325-2001

*Geneseo Satellite Office*  
Livingston County Government Center  
6 Court Street, Room 107  
Geneseo, NY 14454  
(585) 238-2973  
Fax: (585) 991-5096

*Geneva Satellite Office*  
70 Elizabeth Blackwell Street  
Geneva, New York 14456  
(315) 789-0191  
Fax: (315) 789-0295

### **Southern Tier**

44 Hawley Street  
Binghamton, NY 13901-4470  
(607) 721-8400  
(607) 721-8408 TTY  
(800) 888-5010

### **Southern Tier Elmira Office**

244 West Water Street  
Elmira, NY 14901  
(607) 734-5294  
(607) 734-4676 TTY  
(800) 888-5020

### **Syracuse**

333 East Washington Street, Room 230  
Syracuse, NY 13202  
Phone: 315-428-4179  
1-800-782-6164  
Fax: 315-428-4280  
TTY: 315-428-4659

### **Utica**

207 Genesee Street  
Utica, NY 13501  
Phone: 315-793-2536

### *Gloversville Satellite Office*

199 South Main Street  
Gloversville, NY 12078  
Phone: 518-773-2884

### **White Plains**

75 South Broadway  
White Plains, NY 10601  
Phone: 914-946-1313  
TTY 914-946-1520  
TTY 914-946-4634  
FAX 914-946-1726  
1-800-258-3743

### *Rockland Satellite Office*

Pascack Plaza  
15 Perlman Drive, Second Floor  
Spring Valley, NY 10977  
Phone: 845-426-5410  
Fax: 845-426-5427

## **BUSINESS & RESOURCE PLANNING GUIDE**

### **APPENDIX B - NEW YORK STATE PROGRAMS**

**New York SBDC Network**

**NYS Department of Civil Service Workers with Disabilities Program**

**Operation Recognition**

**HESC Vet Programs**

**Veteran's Bill of Rights**

**Division of Veteran's Affairs**

## BUSINESS & RESOURCE PLANNING GUIDE

### New York SBDC Network - Regional Offices

#### Central New York

Auburn and Cayuga County Chamber of Commerce  
315.498.6070 (by appointment only)  
36 South Street  
Auburn, NY 13021

Cortland County BDC-IDA  
607.756.5005 (by appointment only)  
37 Church Street  
Cortland, NY 13045

Greater Cazenovia Chamber of Commerce  
315.498.6070 (by appointment only)  
132 1/2 Albany Street  
Cazenovia, NY 13035

Herkimer County Community College  
315.866.0300, Ext. 8251 (by appointment only)  
Office of Community Education  
Reservoir Road  
Herkimer, NY 13350

Madison County Industrial Development Agency  
315.697.9817 (by appointment only)  
Canastota Business Center  
3215 Seneca Turnpike  
Canastota, NY 13032

Mohawk Valley EDGE/RIDC  
315.338.0393 (by appointment only)  
153 Brooks Road  
Rome, NY 13441

Mohawk Valley SBDC at SUNY IT  
315.792.7547  
Kunsela Hall, Room B206  
Route 12, North  
Utica, NY 13504-3050  
<http://sbdc.sunyit.edu>

OCC North Campus Satellite Office  
315.498.6070 (by appointment only)  
8015 Oswego Road  
Liverpool, NY 13090-1699

Onondaga Community College SBDC  
315.498.6070  
Whitney Applied Technology Center - Suite W206  
4585 West Seneca Turnpike  
Syracuse, NY 13215-4585

Oswego State University  
315.312.3492  
103 Rich Hall  
Oswego, NY 13126-3599

Otsego County Chamber of Commerce  
607.432.4500 (by appointment only)  
12 Carbon Street  
Oneonta, NY 13820-2535

Syracuse Chamber of Commerce  
315.498.6070 (by appointment only)  
572 South Salina Street  
Syracuse, NY 13202

#### Eastern New York

University at Albany SBDC  
518.485.7647  
Harriman Business Center - Building 7A, Suite 500  
1220 Washington Avenue  
Albany, NY 12226

Albany/Colonie Chamber of Commerce  
518.485.7647 (by appointment only)  
1 Computer Drive South  
Albany, NY 12205

Lake George Chamber of Commerce SBDC  
518.564.2042 (by appointment only)  
2176 State Route 9  
Lake George, NY 12845

Manufacturing and Defense Development Center  
518.485.7647  
University at Albany  
Harriman Business Center - Building 7A, Suite 500  
1220 Washington Avenue  
Albany, NY 12226

Margaretville Satellite Office  
845.339.0025  
c/o Catskill Watershed Corp. - Main Street  
Margaretville, NY 12455

Marist College Extension  
845.897.3945  
400 Westage Business Center  
Fishkill, NY 12524-2219

## BUSINESS & RESOURCE PLANNING GUIDE

Mercy College SBDC  
914.674.7485  
555 Broadway  
Dobbs Ferry, NY 10522-1189

Mid-Hudson Region SBDC  
845.339.0025  
SUNY Ulster Business Resource Center  
One Development Court  
Kingston, NY 12401  
<http://mid-hudson.nyssbdc.org>

Poughkeepsie Chamber of Comm. Satellite Office  
845.454.1700, Ext. 1014  
1 Civic Plaza, 4th Floor  
Poughkeepsie, NY 12601

Rensselaer County Chamber of Commerce  
518.485.7647 (by appointment only)  
255 River Street  
Troy, NY 12180

Rockland Community College  
845.356.6065  
Brucker Hall, Room 6101 - 145 College Road  
Suffern, NY 10901-3620

Saratoga County Chamber of Commerce  
518.485.7647 (by appointment only)  
28 Clinton Street  
Saratoga Springs, NY 12866

Schenectady County Community Business Center  
518.485.7647 (by appointment only)  
920 Albany Street  
Schenectady, NY 12307

Small Business Development Center  
914.375.2107  
470 Nepperhan Avenue, Suite 313  
Yonkers, NY 10701-6653  
<http://westchester.nyssbdc.org>

Southern Saratoga Chamber of Commerce  
518.485.7647 (by appointment only)  
15 Park Avenue, Suite 7B  
Clifton Park, NY 12065

Stewart Airport  
845.567.2702  
33 Airport Center Drive, Suite 201  
New Windsor, NY 12533

Sullivan County Chamber of Comm. Satellite Office  
845.339.0025  
452 Broadway  
Monticello, NY 12701

SUNY Cobleskill  
518.485.7647 (by appointment only)  
State Route 7  
Cobleskill, NY 12043

White Plains Outreach Center - SBDC  
914.948.2110  
108 Corporate Park Drive  
White Plains, NY 10605

### Long Island and New York City

Abyssinian Development Outreach  
646.442.6541  
4 West 125th Street  
New York, NY 10027

Baruch College SBDC  
646.312.4790  
55 Lexington Avenue, Suite 2-140  
New York, NY 10010-0010  
<http://midtownmanhattan.nyssbdc.org>

College of Staten Island SBDC  
718.982.2560  
2800 Victory Boulevard  
Building 2A, Room 300  
Staten Island, NY 10314-9806  
<http://stateniland.nyssbdc.org>

EOC Hempstead Outreach Center SBDC  
516.564.8672  
269 Fulton Avenue  
Hempstead, NY 11550-3900

Farmingdale State College SBDC  
631.420.2765  
2350 Broadhollow Road  
Farmingdale, NY 11735-1006  
<http://farmingdale.edu/SBDC>

LaGuardia Community College SBDC  
718.482.5303  
29-10 Thomson Avenue - Room C916  
Long Island City, NY 11101  
<http://laguardia.nyssbdc.org>

## BUSINESS & RESOURCE PLANNING GUIDE

Lehman College SBDC  
718.960.8806  
250 Bedford Park Boulevard West  
Old Gym Building, Room 007  
Bronx, NY 10468-1589

Long Island University  
516.299.2095  
C.W. Post Campus, Loerber Hall  
720 Northern Boulevard  
Brookville, NY 11548-1300

New York City College of Technology SBDC  
800.732.7232  
25 Chapel Street, 11th Floor  
Brooklyn, NY 11201

Pace University SBDC  
212.618.6655  
163 William Street, 16th Floor  
New York, NY 10038  
<http://manhattan.nyssbdc.org>

Stony Brook University  
Incubator at Calverton  
631.727.3992  
4603 Middle Country Road  
Calverton, NY 11933

Stony Brook University SBDC  
631.632-9070  
Harriman Hall, Room 109  
Stony Brook, NY 11794-3777  
<http://stonybrook.nyssbdc.org>

York College SBDC  
718.262.2880  
94-50 159th Street  
Science Building, Room 107  
Jamaica, NY 11451  
<http://queens.nyssbdc.org>

### **Northern New York**

Adirondack Chamber of Commerce  
518.485.7647 (by appointment only)  
5 Warren Street  
Glens Falls, NY 12801

Akwesasne Mohawk Reservation  
315.386.7312 (by appointment only)  
412 State Route 37  
Hogansburg, NY 13655-3109

Essex County Business Council at Lake Placid  
Visitor's Bureau  
518.564.2042 (by appointment only)  
216 Main Street

Lake Placid, NY 12946  
Essex County IDA  
518.564.2042 (by appointment only)  
7566 Court Street  
Elizabethtown, NY 12932

Jefferson Community College SBDC  
315.782.9262  
1220 Coffeen Street  
Watertown, NY 13601-1897  
<http://watertown.nyssbdc.org>

Lewis County IDA SBDC  
315.782.9262 (by appointment only)  
7642 State Street, Box 106  
Lowville, NY 13367-0106

North Country SBDC  
518.564.2042  
SUNY College at Plattsburgh  
194 US Oval, 2nd Floor North  
Plattsburgh, NY 12903-3900  
<http://northcountry.nyssbdc.org>

OneWorkSource Franklin County  
518.564.2042 (by appointment only)  
158 Finney Boulevard  
Malone, NY 12953

SUNY Canton Education Center  
315.386.7312 (by appointment only)  
PO Box 6006  
St. Lawrence Centre Mall  
Massena, NY 13662

SUNY Canton SBDC  
315.386.7312  
Faculty Office Building, Room 202  
Cornell Drive  
Canton, NY 13617-1098

Wanakena NYS Ranger School  
315.386.7312 (by appointment only)  
257 Ranger School Road  
Wanakena, NY 13695-0048

## BUSINESS & RESOURCE PLANNING GUIDE

### Southern Tier

Binghamton University SBDC  
607.777.4024  
Artco Building, 3rd Floor  
218-222 Water Street  
Binghamton, NY 13902-6000  
<http://www.sbdc.binghamton.edu/>

Chenango County Chamber of Commerce  
607.334.1400 (by appointment only)  
19 Eaton Avenue  
Norwich, NY 13815-1785

Corning Community College SBDC  
607.937.6861  
24 Denison Parkway West - Suite 203  
Corning, NY 14830-3297  
<http://corning.nyssbdc.org>

Finger Lakes Community College  
585.395.8410  
Institute for Workforce Development  
4340 Lakeshore Drive  
Canandaigua, NY 14424

Jamestown Community College SBDC  
716.338.1024 or 1.800.522.7232  
525 Falconer Street  
Jamestown, NY 14702-0020  
<http://jamestown.nyssbdc.org>

Schuyler County Partnership for Economic Dvlop.  
607.962.9461 (by appointment only)  
2 North Franklin Street  
Watkins Glen, NY 14891

Tioga County Chamber of Commerce  
607.687.2020 (by appointment only)  
188 Front Street  
Owego, NY 13827-1521

Tompkins County Chamber of Commerce  
607.273.7080 (by appointment only)  
904 East Shore Drive  
Ithaca, NY 14850

### Western New York

Dunkirk Outreach Center  
716.338.1024 or 800.522.7232  
(by appointment only)  
Jamestown Community College  
Training and Conference Center  
10807 Bennett Road  
Dunkirk, NY 14048

Genesee Chamber of Commerce  
585.343.7440  
210 East Main Street  
Batavia, NY 14020

Genesee Community College  
585.343.0055, Ext. 6143  
Best Center - 1 College Road  
Batavia, NY 14020

Greece Chamber of Commerce - SBDC  
585.395.8410  
2496 Ridge Road West, Suite 201  
Rochester, NY 14626

HTR Outreach  
585.395.8410  
Lennox Tech Enterprise Center  
150 Lucius Gordon Drive, Suite 100  
West Henrietta, NY 14586

Niagara County Community College SBDC  
716.434.3815  
50 Main Street  
Lockport, NY 14094  
<http://www.niagarasbdc.org>

Rochester Outreach Center - SBDC  
585.395.8410  
55 St. Paul Street - Riverside Entrance  
Rochester, NY 14604

SUNY Brockport SBDC  
585.395.8410  
350 New Campus Drive  
Brockport, NY 14420-2914  
<http://cc.brockport.nyssbdc.org>

SUNY College at Buffalo SBDC  
716.878.4030  
Grover Cleveland Hall, Room 206  
1300 Elmwood Avenue  
Buffalo, NY 14222-1095

SUNY Geneseo SBDC  
585.245.5429  
1 College Circle  
Geneseo, NY 14454-1401

Victor Chamber of Commerce  
585.395.8410  
37 East Main Street on Route 96  
Victor, NY 14564

## BUSINESS & RESOURCE PLANNING GUIDE

### NYS Department of Civil Service Workers with Disabilities Program (55-c)

The Governor's Programs to Hire Persons/Veterans with Disabilities consist of two specialized programs. These programs are coordinated efforts to place individuals with disabilities in entry-level State jobs. No initial written or oral examinations are required for appointment. You must however, submit a formal application and a medical evaluation may be necessary for program certification.

In 1987, the late Assemblyman Richard Connors and the late Senator Michael Tully, sponsored legislation which authorized the Civil Service Commission to designate 300 positions (Section 55-c of the New York State Civil Service Law) normally filled through competitive examination, for the exclusive purpose of hiring disabled wartime veterans.

#### **Who are wartime veterans?**

Veterans of the armed forces of the United States who served during time of war and have a disability might qualify for the 55-c Program. Veterans must have served on a full-time active basis, other than active duty for training purposes. Civil Service Law defines "time of war" to include:

- World War I (April 6, 1917 - November 11, 1918)
- World War II (December 7, 1941 - December 31, 1946)
- Korean War (June 27, 1950 - January 31, 1955)
- Vietnam War (February 28, 1961 - May 7, 1975)
- Persian Gulf Conflict (August 2, 1990 - the date which hostilities end)

"Time of war" also includes the following hostilities, as established by receipt of the Armed forces expeditionary medal, Navy expeditionary medal, or Marine Corps expeditionary medal:

- Hostilities in Lebanon (June 1, 1983 - December 1, 1987)
- Hostilities in Grenada (October 23, 1983 - November 21, 1983)
- Hostilities in Panama (December 20, 1989 - January 31, 1990)

#### **Who are wartime veterans with disabilities?**

The Employee Health Service (EHS) of the New York State Department of Civil Service will certify that the veteran is medically eligible. Medical eligibility is based on the degree of functional limitation, rather than the type of disability. The veteran may be required to undergo an examination (at no cost) by an EHS physician or an outside consultant to become eligible for the 55-c Program. A service connected disability is not a requirement in order to apply for this program.

While veterans with disabilities are not required to take a written or oral examination, they must meet the educational and/or experience qualifications for the position. Veterans certified eligible for the 55-c Program receive no guarantees of State employment, and they are not placed on a "list".

There are no "55-c jobs." Rather, State agencies may convert any entry-level position that is filled via an open-competitive civil service examination to a non-competitive 55-c position for a 55-c appointment.

## BUSINESS & RESOURCE PLANNING GUIDE

State agencies are not required to participate in this program. Many personnel directors, however, find that the 55-c Program provides the ideal appointment alternative for quality candidates or for positions otherwise under a hiring freeze due to budgetary constraints.

(Currently, the Division of the Budget permits agencies to fill positions under a hiring freeze with qualified 55-c appointments. Such positions may be filled without Division of the Budget approval provided the agency can fund those positions within approved funding and personnel levels).

### **How do I apply for eligibility under Section 55-c?**

You may apply by completing a special application form, DPM-1, and returning it along with a resume and a copy of a recent medical statement signed by your physician. The documentation must clearly state the nature of your disability and the extent of your functional limitations. To obtain an application and information packet, click on the link above or you may call or write the New York State Department of Civil Service (see below). The completed application and medical statements should be submitted to this same address.

**New York State  
Department of Civil Service  
Workers with Disabilities Program  
Albany, NY 12239**

Please contact us with any questions at 518-473-1328 or toll-free at 1-877-324-8695 or by e-mail.  
<http://www.cs.state.ny.us/dpm/c55.cfm>

## BUSINESS & RESOURCE PLANNING GUIDE

### Operation Recognition

Section 305 of the NYS Education Law created Operation Recognition to recognize the dedication and sacrifice of WWII, Korea, and Vietnam veterans who who served their country rather than finish their education.

New York recognizes the dedication and sacrifice of Vietnam, World War II, and Korean veterans who left school before graduation by awarding them with a high school diploma. The experiences and skills learned in defense of freedom have given veterans unique knowledge and special insight most could never attain.

#### **Who is Eligible?**

To be eligible, an applicant must meet the following requirements. The applicant must have been

- 1) a member of the US Armed Forces,
- 2) engaged in qualified service during one of the below periods:
  - World War II - December 7, 1941 - December 31, 1946
  - Korea - June 27, 1950 - January 31, 1955
  - Vietnam - May 1, 1961 - April 30, 1975
- 3) received a satisfactory discharge, and
- 4) must be a resident of New York State

#### **What documentation is required to prove eligibility?**

- DD214 (copy of a Certificate of Release or Discharge from Active Duty) OR
- A Certificate of Service OR
- A letter from a recognized veterans agency affirming such service

#### **How do you apply for a diploma?**

Interested veterans should bring their honorable discharge certificate or letter to the high school they last attended to apply. If the original school no longer exists, the successor school should have the necessary records. There is no fee for this service.

Candidates possessing a High School Equivalency (GED) diploma are eligible for the program. Diplomas may be awarded to next of kin if eligibility is established.

For Additional Information Contact:

**The NYS Education Department, Adult Education and Workforce Development, at (518) 474-5808.**

## BUSINESS & RESOURCE PLANNING GUIDE

### HESC Vet Programs

The Higher Education Service Corporation (HESC) is a leading guarantor of student loans and the only guarantor based in New York. The program manages more than 25 grant, scholarship and loan programs, including the Tuition Assistance Program (TAP), the nation's largest state grant. HESC offers a breadth of programs to accommodate the needs of veterans.

#### **Veterans Tuition Awards**

Veterans Tuition Awards (VTA) are awards for full-time study and part-time study for eligible veterans matriculated at an undergraduate or graduate degree-granting institution or in an approved vocational training program in New York State.

NOTE: Students previously approved for this award must apply for payment each year. Those students attending a vocational school or who are attending an approved undergraduate or graduate program part-time may apply for payment for the current academic year by completing the supplement.

#### ***Award Amounts***

For full-time study, a recipient shall receive an award of up to the full cost of undergraduate tuition for New York state residents at the State University of New York, or actual tuition charged, whichever is less. Full-time study is defined as twelve or more credits per semester (or the equivalent) at a degree-granting institution, or twenty-four or more hours per week in a vocational training program.

For part-time study, awards will be prorated by credit hour. Part-time study is defined as at least three but fewer than twelve credits per semester (or the equivalent) at a degree-granting institution, or six to twenty-three hours per week in a vocational training program.

#### ***2008 - 2009 Awards***

For the 2008-09 academic year, awards will be set at 98% of tuition or \$4,287.50, whichever is less. If a TAP award is also received, the combined academic year award cannot exceed tuition. Thus, the TAP award may be reduced accordingly.

#### ***Duration of Awards***

##### Full-time Study

Undergraduate Degree-Granting Programs - Awards are available for up to eight semesters (four years) of undergraduate study. Awards can be made available for up to 10 semesters of undergraduate study for enrollment in an approved five-year program or for enrollment in an approved program of remedial study.

Graduate Degree-Granting Programs - Awards are available for up to six semesters (three years) of graduate study.

Vocational Training Programs - Awards are available for up to a maximum of four semesters (two years) of study in an approved vocational training program.

##### Part-time Study

Undergraduate Degree-Granting Programs - Awards are available for up to the equivalent of eight semesters (four years) of full-time undergraduate study in a four-year program. Awards can also be made available for up to 10 semesters (five years) of full-time study in an approved five-year study.

## BUSINESS & RESOURCE PLANNING GUIDE

Graduate Degree-Granting Programs - Awards are available for up to the equivalent of six semesters (three years) of part-time graduate study.

Vocational Training Programs - Awards are available for up to a maximum of eight semesters (four years) of part-time study in an approved vocational training program.

### ***Eligible Veterans***

Eligible students are those who are New York State residents discharged under honorable conditions from the U.S. Armed Forces and who are:

- Vietnam Veterans who served in Indochina between 2/28/61 and 5/7/75
- Persian Gulf Veterans who served in the Persian Gulf on or after 8/2/90
- Afghanistan Veterans who served in Afghanistan during hostilities on or after 9/11/01
- Veterans of the armed forces of the United States who served in hostilities that occurred after 2/28/61 as evidenced by receipt of an Armed Forces Expeditionary Medal, Navy Expeditionary Medal or a Marine Corps Expeditionary Medal

These students must also:

- Establish eligibility by applying to HESC
- Be New York State residents
- Be US Citizens or eligible noncitizens
- Be matriculated full or part-time at an undergraduate or graduate degree-granting institution in New York State or in an approved vocational training program in New York State
- Have applied for the TAP for full-time undergraduate or graduate study

### ***How to Establish Eligibility***

Complete the New York State Veterans Tuition Award Supplement or contact HESC. Be sure to print the Web Supplement Confirmation, sign and return it along with the required documentation according to the instructions.

### ***How to Apply for Payment***

Once you have established your eligibility, you must apply for payment. While you need only establish your eligibility once, you must apply for payment each year.

Apply for payment as follows:

Undergraduate and Graduate Full-time Study - Apply for payment by doing one of the following:

- Apply online by completing the Free Application for Federal Student Aid (FAFSA) — the form used by virtually all colleges, universities and vocational schools for awarding federal student aid and most state and college aid — and then linking to the TAP on the Web application, or
- For veterans who do not anticipate filing a FAFSA, complete a Scholarship Grant Payment Application. For a copy of the application call HESC at 1-888-697-4372

Undergraduate Part-time Study - Complete only the Veterans Tuition Award Supplement.

Graduate Part-time Study - Complete only the Veterans Tuition Award Supplement.

Vocational Training Program - Complete only the Veterans Tuition Award Supplement.

Applications must be completed by May 1, 2009 for awards for the 2008-09 academic year.

## BUSINESS & RESOURCE PLANNING GUIDE

### **Military Service Recognition Scholarships**

Military Service Recognition Scholarships provide financial aid to veterans, children, spouses, and financial dependents of members of the US Armed Forces who while NYS residents, died or became severely and permanently disabled while engaged in hostilities or training for hostilities.

This award covers up to four years of full-time undergraduate study (or five years in a approved five year bachelor's degree program) and includes the following:

- At a public college or university (SUNY or CUNY): actual tuition and educational fees; room and board charged to the student (on campus) or an allowance for room and board for commuter students; and allowances for books, supplies, and transportation
- At a private institution: An allowance equal to SUNY four-year college tuition and educational fees, and allowance for room, board, books, supplies and transportation

### ***Who is eligible?***

Eligible recipients include veterans, children, spouses and financial dependents of members of the US Armed forces who, while NYS residents, on or after 8/2/90:

- Died, or became severely and permanently disabled as a result of injury or illness suffered or incurred, or are classified as missing in action in a combat theater or zone of operations; or who died as a result of injuries incurred in these areas; OR
- Died, or became severely and permanently disabled as result of injury or illness suffered or incurred during military training operations in preparation for duty in a combat theater or combat zone of operations

### ***What is required to apply?***

An individual must establish eligibility by applying to the Higher Education Services Corp (HESC) at [www.hesc.org](http://www.hesc.org) or call 1-888-697-4372.

- Veteran parent must be a NYS resident
- Have applied for the Tuition Assistance Program and Federal Student Aid (FAFSA)

For Additional Information contact:

Higher Education Services Corp (HESC) at [www.hesc.com](http://www.hesc.com) or call 1-888-697-4372

### **NYS Regents Awards**

Regents Awards for Children of Deceased & Disabled Veterans provide up to \$450 per year to students whose parent(s) served in the US Armed Forces during specified times of national emergency.

### ***Who is eligible?***

Eligible students are those whose veteran parent(s) are NYS residents and who served in the US Armed forces during one of the specified periods of war or national emergency, or students whose parent(s) was the recipient of the Armed Forces Expeditionary Medal, Navy Expeditionary Medal or the Marine Corps Expeditionary Medal for participation in operations in Lebanon, Grenada or Panama. And as a result of service, the veteran either died, suffered a 40% or more disability, was classified as missing in action, or was a prisoner of war.

To apply for any of these programs, or for additional information contact:

**Higher Education Services Corp (HESC) at [www.hesc.com](http://www.hesc.com) or call 1-888-697-4372**

## BUSINESS & RESOURCE PLANNING GUIDE

### 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**

#### 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/>

The Reemployment Services to Veterans Program (RSVP) provides employers with support to train and hire or promote unemployed or underemployed honorably discharged veterans who served on active duty on or after March 1, 2003: <https://www.labor.state.ny.us/rsvp/index.asp>

The President's National Hire Veterans Committee, which was created by the Jobs for Veterans Act

## BUSINESS & RESOURCE PLANNING GUIDE

(Public Law 107-288), has designed the Hire Vets First website to help employers find qualified veterans, and to help veterans make the best use of a national network of employment resources:

<http://www.hirevetsfirst.gov>

**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 taking 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 craftsperson 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 over 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](mailto:USERRA@osd.mil) or by phone at: (800) 336-4590.

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

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/>

## BUSINESS & RESOURCE PLANNING GUIDE

### 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.

#### Field Operations

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) 807-3166  
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) 847-3414  
NYS Division of Veterans' Affairs  
Walter J. Mahoney State Office Building  
65 Court Street, 3rd Floor, Ste 310  
Buffalo, NY 14202-3406  
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  
#5 Empire State Plaza, Suite 2836  
Albany, NY 12223-1551

New York City Office - (212) 807-3166  
NYS Division of Veterans' Affairs  
Bureau of Veterans Education  
116 W. 32nd Street, 5th Floor  
New York, NY 10001

## BUSINESS & RESOURCE PLANNING GUIDE

### **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

### **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

## BUSINESS & RESOURCE PLANNING GUIDE

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

**BUSINESS & RESOURCE PLANNING GUIDE**

**APPENDIX C -  
VETERAN LOAN PROGRAMS**

**MREIDL**

**NYBDC Veterans Loan Program**

**SBA Patriot Express Loan**

## BUSINESS & RESOURCE PLANNING GUIDE

### 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 be 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%.

**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

## BUSINESS & RESOURCE PLANNING GUIDE

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

***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.

## BUSINESS & RESOURCE PLANNING GUIDE

***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](mailto: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/services/disasterassistance/militaryreservistsloans/SERV\\_MILITARY\\_HTML1.html](http://www.sba.gov/services/disasterassistance/militaryreservistsloans/SERV_MILITARY_HTML1.html)

## BUSINESS & RESOURCE PLANNING GUIDE

### 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.

## BUSINESS & RESOURCE PLANNING GUIDE

### 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/patriotexpress/](http://www.sba.gov/patriotexpress/).

**BUSINESS & RESOURCE PLANNING GUIDE**

**APPENDIX D -  
VETERANS ADMINISTRATION**

**VA Benefits for Active Duty Personnel**

**Veterans Online Applications**

## BUSINESS & RESOURCE PLANNING GUIDE

### VA Benefits for Active Duty Personnel

There are a variety of VA benefits available to active duty personnel.

#### **What Type of Insurance Benefit Is Available?**

Servicemembers and reservists are eligible for up to a maximum of \$400,000 in life insurance under Servicemembers' Group Life Insurance (SGLI). Spousal coverage is available up to a maximum of \$100,000 while children are automatically covered for \$10,000 at no cost. Any member of the uniformed services covered by SGLI is eligible for a traumatic injury protection rider (TSGLI) which provides payments between \$25,000 and \$100,000 to members who have a traumatic injury and suffer losses such as, but not limited to, amputations, blindness, and paraplegia.

#### **What Type of Education Benefits Are Available?**

Education benefits are available to active duty personnel who have served for at least two years and have contributed \$1200 under the Montgomery GI Bill (Chapter 30), and to selected Reservists and National Guardsman that are certified as eligible under the Montgomery GI Bill – Select Reserves (Chapter 1606). The Chapter 30 program is limited to payment for tuition and fees while the Chapter 1606 program provides a monthly stipend.

#### **What Type of Home-Related Benefits Are Available?**

Persons on active duty are eligible for a VA home loan guaranty after serving on continuous active duty for 90 days. Servicemembers going through the Benefits Delivery at Discharge (BDD) program who are found to have service-connected conditions are exempt from the loan guaranty funding fee.

#### **What Type of Health Care Benefits Are Available?**

VA health care facilities are available to active duty servicemembers in emergency situations and upon referral by military treatment facilities or TRICARE. VA provides a comprehensive medical benefits package to veterans enrolled in its health care program and is fully capable of meeting the treatment needs of those who are referred for care or who require emergency health care services. Service members may receive one-time dental treatment up to 90 days from separation if they were not provided treatment within 90 days before separation from active duty.

#### **Is the Medal of Honor Pension Payable to Active Duty Personnel?**

Active duty personnel who have been awarded the Medal of Honor and determined to be eligible by one of the service departments are entitled to receive a special Medal of Honor pension from the VA.

#### **Can a Claim for Benefits be Filed Prior to Separation?**

Through the BDD program, servicemembers can file claims for disability compensation, pension, vocational rehabilitation, automobile allowance, and special adapted housing prior to separation. VA employees will assist in the filing and preparation of the claim as well as adjudicate the claim within days following separation. Additionally, VA offers counseling and claims assistance to separating servicemembers throughout the United States and around the world through the Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP).

For More Information, go to: <http://www.va.gov>

or call Toll-Free: Disability Benefits/General Information: 1-800-827-1000

Insurance: 1-800-669-8477

Education: 1-888-442-4551/Health Benefits: 1-877-222-8387

## BUSINESS & RESOURCE PLANNING GUIDE

### Veterans Online Applications

The **VONAPP (Veterans On Line Applications)** website is an official U.S. Department of Veterans Affairs (VA) website, that enables veterans to apply for benefits using the Internet. U.S. military veterans and some service members within six months of separation or retirement can apply for compensation, pension, and vocational rehabilitation benefits.

U.S. military veterans, service members with two years of service, and members of the Selected Reserve can apply for education benefits.

VONAPP also has a link to VA Form 10-10EZ, Application for Health Benefits.

#### **How is using this site different from visiting a VA office?**

When you use this site to complete and send an application to the VA, your application will be sent directly to the VA office with jurisdiction over your application. Processing will begin and you will receive an automated e-mail response from the VA office letting you know that your application has been received.

It can be important for you to submit your claim as soon as you can if it is near the end of a month, whether by regular mail or using VONAPP, to ensure we receive it before the first of the next month. In some cases, your entitlement is based on the date we receive your claim in the VA. You might lose a month of benefits if we find you eligible, but you wait until the following month to submit your claim.

When you successfully submit your electronic application using VONAPP, the time and date is stamped on your application. The time and date is the Eastern Standard Time (EST) at Philadelphia, Pennsylvania, where it is electronically received by the VA regardless of your geographic location around the world.

#### VA Forms in VONAPP

VA forms currently available in VONAPP include the following:

- VA Form 21-526, Veteran's Application for Compensation and/or Pension
- VA Form 22-1990, Application for VA Education Benefits
- VA Form 22-1995, Request for Change of Program or Place of Training
- VA Form 22-5490, Application for Survivors' and Dependents' Educational Assistance
- VA Form 22-5495, Change of Program or Place of Training Survivors' and Dependents' Educational Assistance
- VA Form 28-1900, Disabled Veterans Application for Vocational Rehabilitation

Veterans Online Application website - [http://vabenefits.vba.va.gov/vonapp/about\\_yonapp.asp](http://vabenefits.vba.va.gov/vonapp/about_yonapp.asp)

**BUSINESS & RESOURCE PLANNING GUIDE**

**APPENDIX E -  
FEDERAL PROGRAMS**

**SBSES**

**IRS Information for Self-Employment**

## BUSINESS & RESOURCE PLANNING GUIDE

### 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

#### 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: <http://www.jan.wvu.edu/SBSES>

E-mail: [kcording@wvu.edu](mailto:kcording@wvu.edu)

## BUSINESS & RESOURCE PLANNING GUIDE

### 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)

## BUSINESS & RESOURCE PLANNING GUIDE

### 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>***

# BUSINESS & RESOURCE PLANNING GUIDE

## APPENDIX F

### Related Websites

## BUSINESS & RESOURCE PLANNING GUIDE

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

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

**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/](http://www.appc1.va.gov/health_benefits/)

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

**Hire Vets First** - <http://www.hirevetsfirst.gov>

**Homeless Veterans' Reintegration Program** -

[http://www.dol.gov/vets/programs/fact/Homeless\\_veterans\\_fs04.htm](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/>

**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>

## BUSINESS & RESOURCE PLANNING GUIDE

**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](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/c55.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](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](http://www.nylovesbiz.com)

**Small Business** - [http://www.nylovesbiz.com/Small\\_and\\_Growing\\_Businesses/](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/>

### **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>

**President's National Hire Vets Committee** - <http://www.hirevetsfirst.gov>

**Reemployment Services to Veterans Program** - <http://www.labor.state.ny.us/rsvp/index>

**SCORE (formerly Service Corps of Retired Executives)** - <http://www.score.org/>

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

**Self Employment for People with Disabilities** - <http://www.dol.gov/odep/pubs/publicat.htm>

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

**Business Planning Guide** - <http://www.nyssbdc.org/info/pubs/BizPlan.pdf>

**Troops to Teachers** - [http://www.dantes.doded.mil/dantes\\_Web/troopstoteachers/index.asp](http://www.dantes.doded.mil/dantes_Web/troopstoteachers/index.asp)

## BUSINESS & RESOURCE PLANNING GUIDE

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

**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>

**VESID** - <http://www.vesid.gov>

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

**Veterans Business Outreach Centers** -

[http://www.sba.gov/aboutsba/sbaprograms/ovbd/ovbd\\_VBOP.html](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/>

**Workers with Disabilities Program - NYS** - <http://www.cs.state.ny.us/dpm/c55.cfm>

**Workforce New York** - <http://www.workforcenewyork.org>

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

# BUSINESS & RESOURCE PLANNING GUIDE

## APPENDIX G

### Acronyms

## BUSINESS & RESOURCE PLANNING GUIDE

### Abbreviations and Acronyms used in the Guide

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

## BUSINESS & RESOURCE PLANNING GUIDE

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

# BUSINESS & RESOURCE PLANNING GUIDE

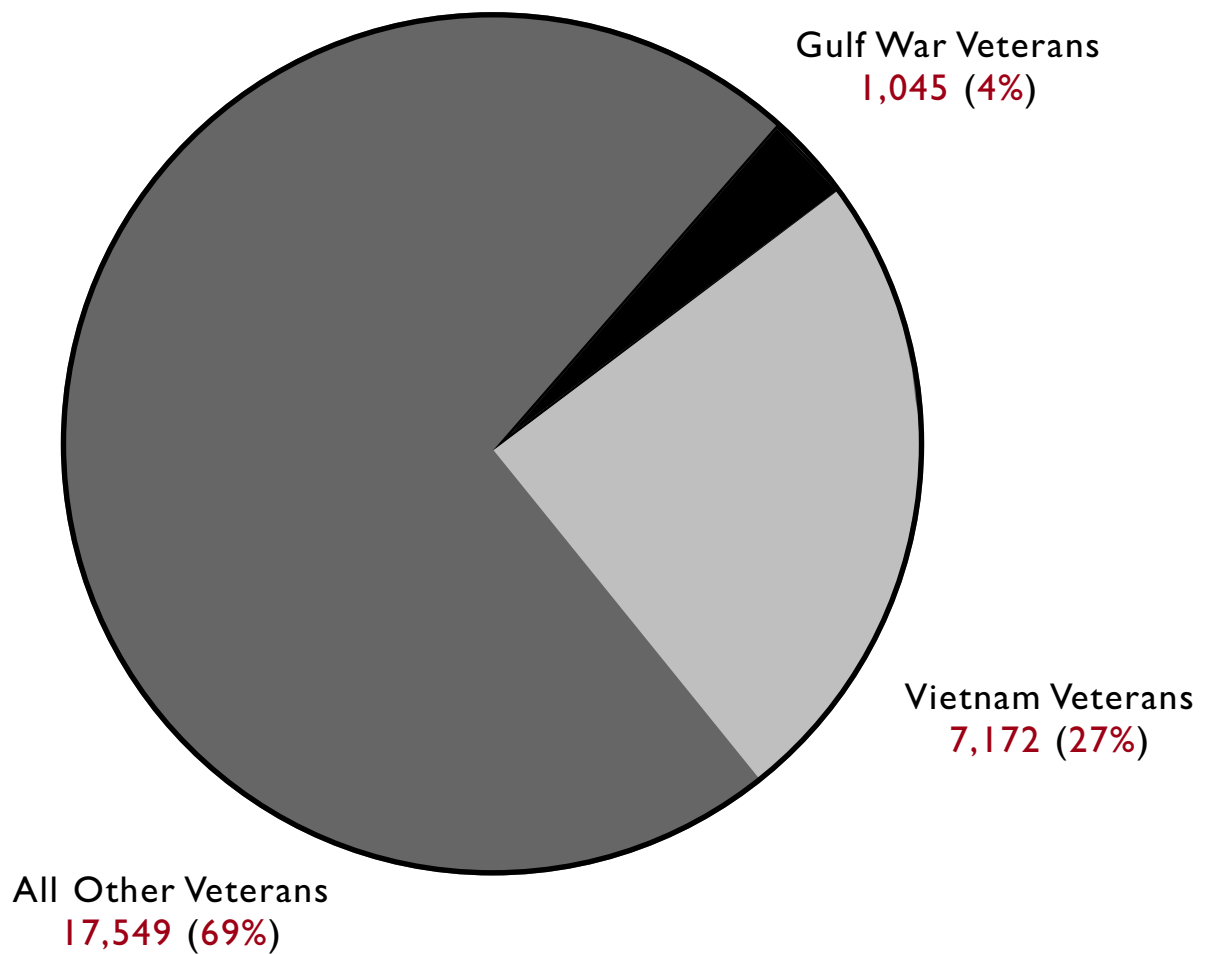
## APPENDIX H

### Veterans' Statistics

## Veterans Counseled

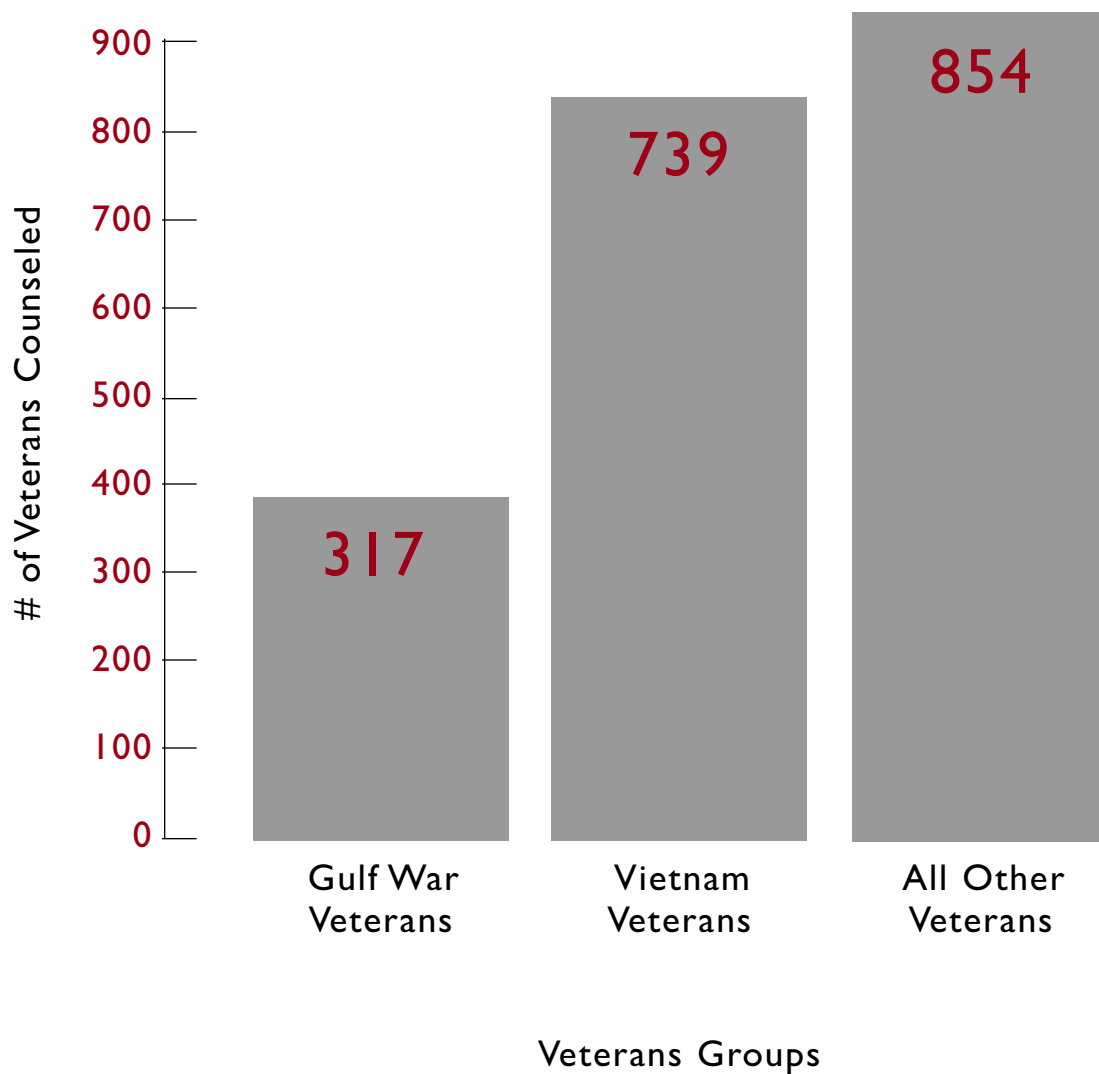
State of New York Small Business Development Center 1999-2008

25,766 Total



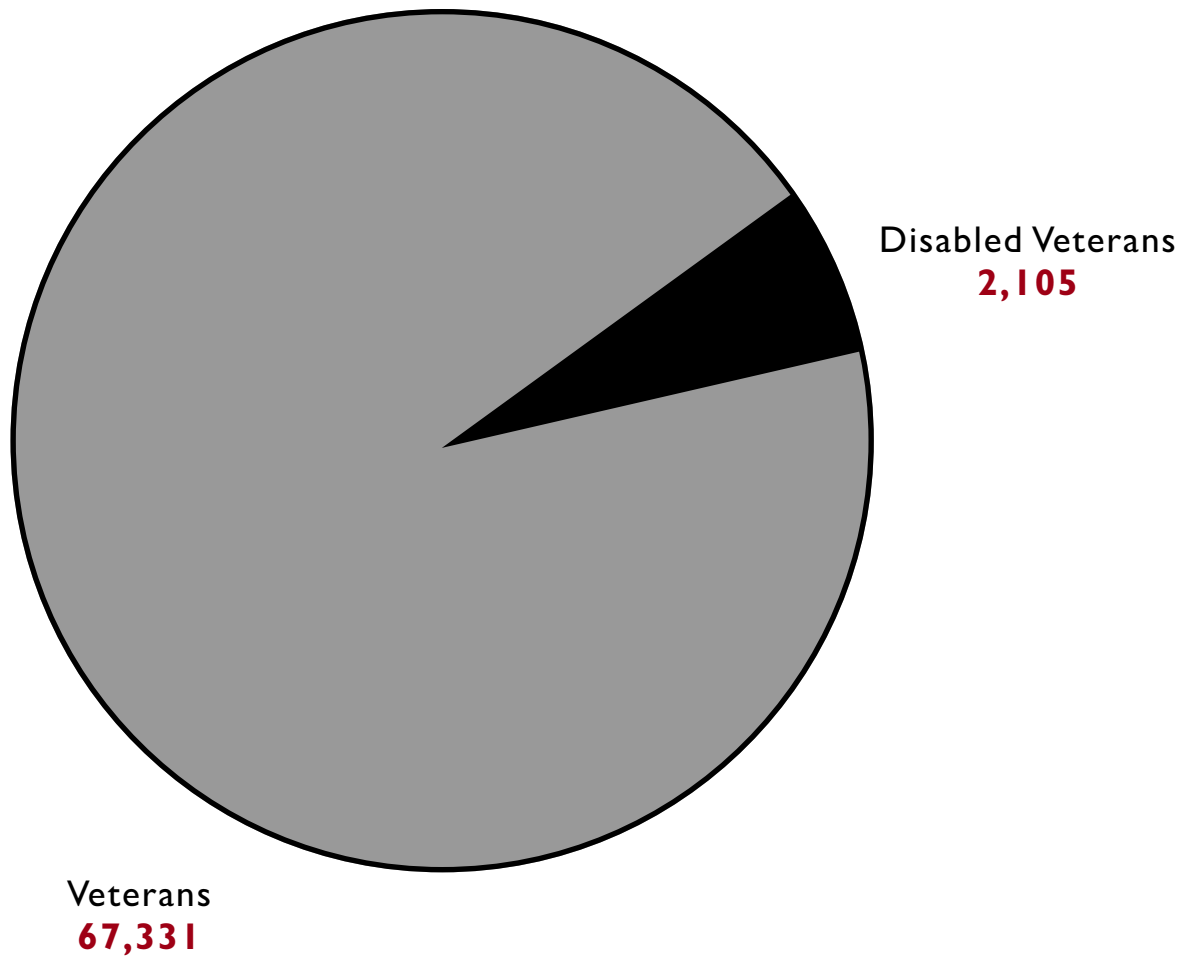
# Disabled Veterans Counseled

State of New York Small Business Development Center 1999-2008



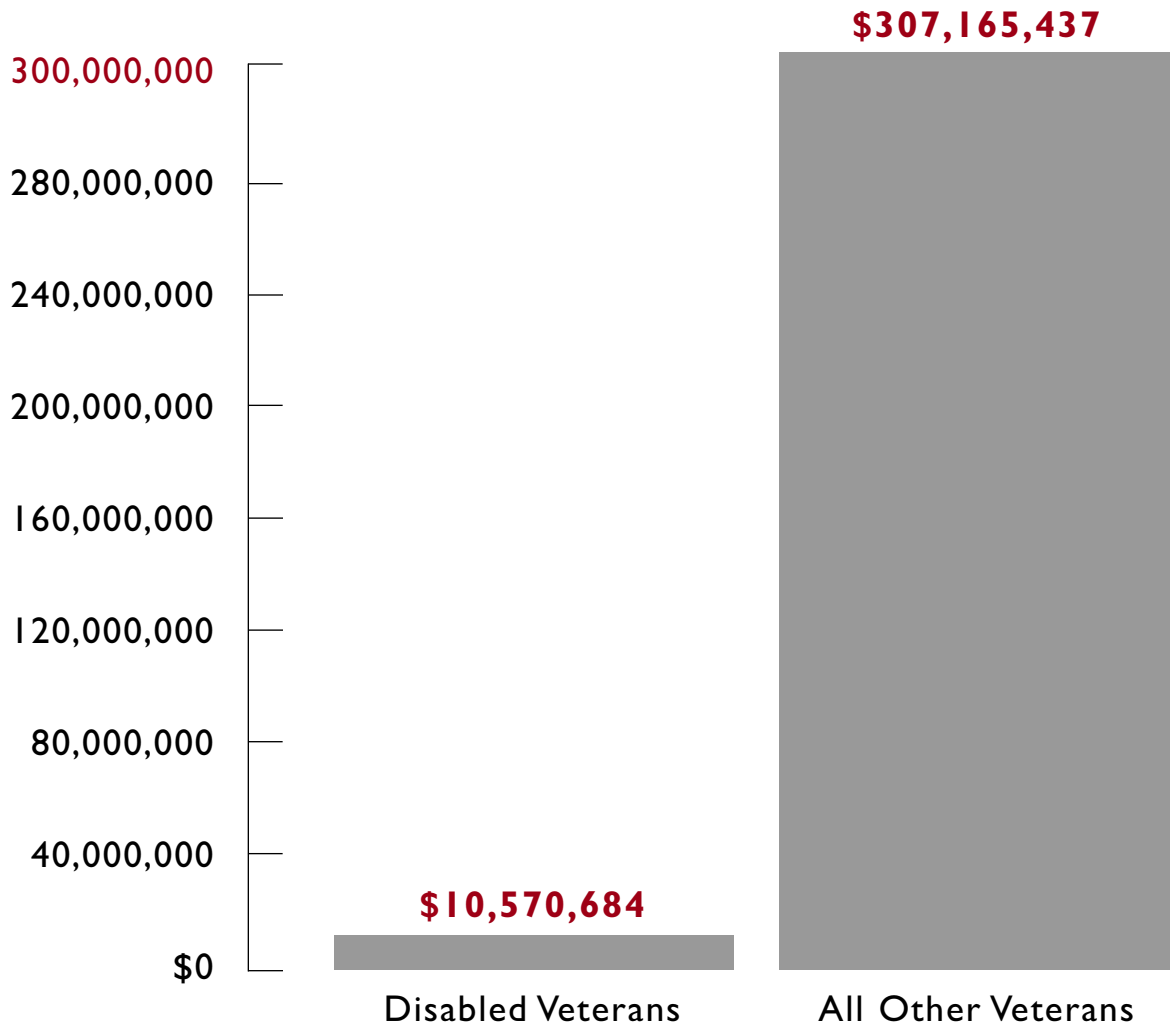
# Counseling Hours: Veterans vs Disabled Veterans

State of New York Small Business Development Center 1999-2008



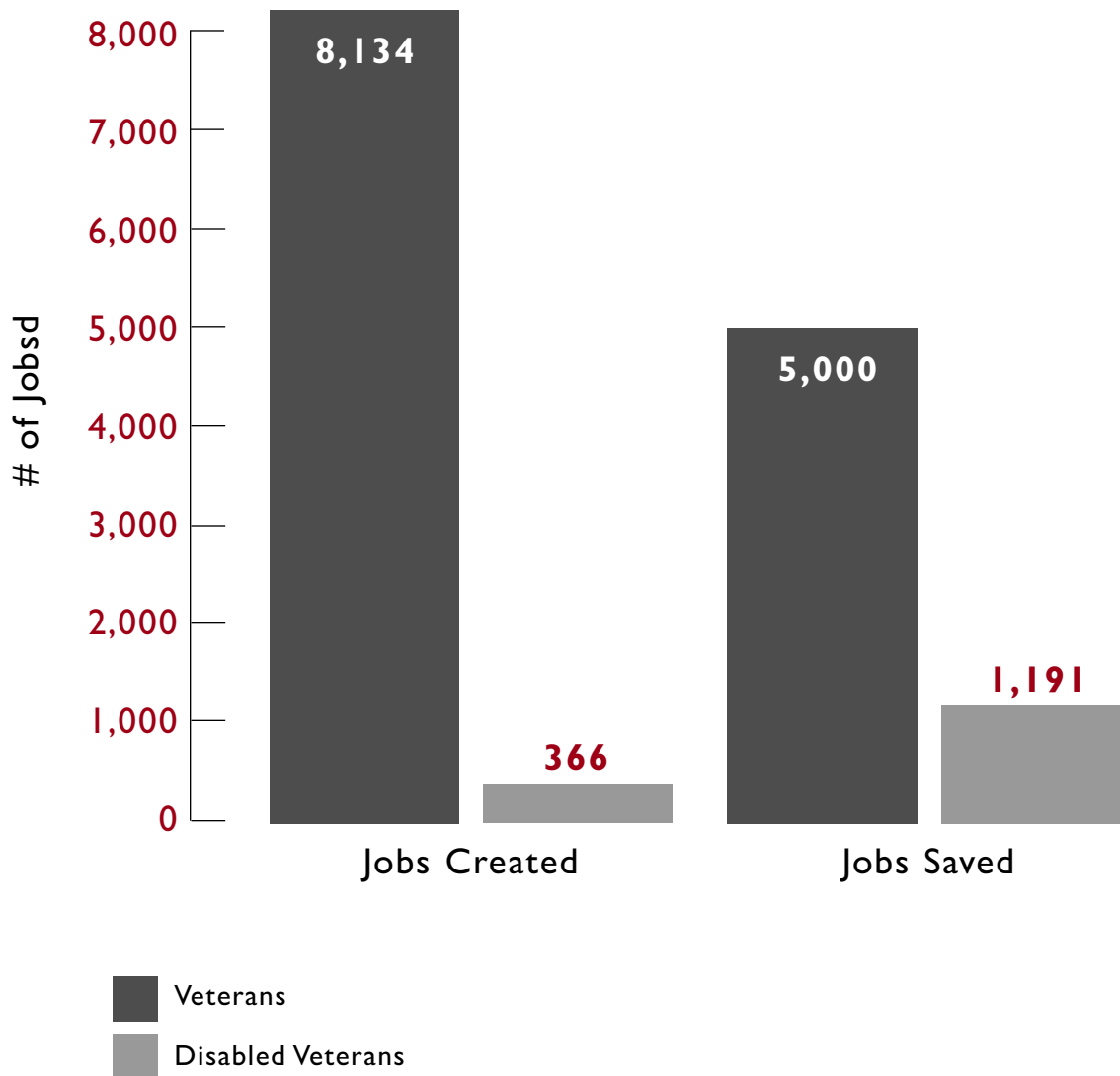
# Funding/Investment

Veterans vs Disabled Veterans  
State of New York Small Business Development Center 1999-2008



# Jobs Saved & Created

Veterans vs Disabled Veterans  
State of New York Small Business Development Center 1999-2008



## BUSINESS & RESOURCE PLANNING GUIDE

## BUSINESS & RESOURCE PLANNING GUIDE

## BUSINESS & RESOURCE PLANNING GUIDE

## BUSINESS & RESOURCE PLANNING GUIDE