



## Business Assistance Program

The Targeted Small Business (TSB) Assistance Program supports the creation and expansion of specified businesses. To qualify for the program, a business must have annual gross sales of less than \$4 million and be at least 51% owned, operated and actively managed by women, minorities or persons with disabilities.

The business must be certified as a "Targeted Small Business" by the Iowa Department of Inspections and Appeals before applying for or receiving TSB funds. A business can receive "Targeted Small Business" certification through the **Iowa Department of Inspections and Appeals** [[www.dia.iowa.gov](http://www.dia.iowa.gov)].

### ***Forms of Assistance***

- Loans of up to \$50,000 may be provided at interest rates of 0-5% that must be repaid in monthly installments over a five year period. The first installment can be deferred for three months for a start-up business and one month for an existing business.
- Loan guarantees are available in limited cases for lines of credit up to \$50,000. Loan guarantees can cover up to 80% of a loan obtained from a bank or other conventional lender. Interest rates are at the discretion of the lender.
- Equity grants, up to \$50,000, may be available but must be used to leverage SBA or conventional bank loans.
- Applicant must be able to invest 10% cash of the total project cost. For example, if a loan of \$30,000 is sought, the applicant must have \$3,000 (10%) of his or her own cash.

Funds may be used to purchase equipment, acquire inventory, provide operating capital or leverage additional funding.

### ***Eligibility Requirements:***

TSB is designed to assist in the creation and expansion of Iowa small businesses that meet all of the following criteria:

- Operating for a profit
- Annual gross sales of less than \$4 million
- At least 51% owned, operated and actively managed by women, minorities or persons with a disability
- The business must be located in Iowa and the owner must be an Iowa resident

### ***Application***

Once a business has been certified as a "targeted small business" by the Iowa Department of Inspection and Appeals, they may apply for financial assistance. Applications can be found on the Iowa Department of Economic website.

For assistance in completing applications, contact the Eastern Iowa SBDC at 563-336-3401.

### ***Procurement***

According to Iowa Code, each year State Agencies are required to set a spending goal related to doing business with targeted small businesses. The spending goals each agency sets are self-determined but the agency should strive to exceed the previous year's goal.

Another advantage of being a certified targeted small business is the exclusive access TSBs are given to a 48-Hour Iowa TSB Procurement website. State agencies seeking goods and services place their job bids on this website 48 hours before they are shared on the public website, giving the TSB an edge in competing for the job.

Finally, certified TSBs are encouraged to market directly to State Agencies, letting them know of their capabilities and their interest in doing business with the agency. Periodically we offer workshops called "Doing Business with the State of Iowa" around the state, where TSBs can hear directly from purchasing agents with some of the State's larger agencies (for example Department of Transportation or Department of Administrative Services).