

IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT

The Targeted Small Business (TSB) Program of Iowa is designed to help women, minorities and the disabled overcome some of the major hurdles of starting or growing a small business in Iowa. Since its inception over two decades ago, the TSB program has issued hundreds of loans to Iowa small business owners -- totaling millions of dollars. Besides financial assistance, the program has many additional benefits.

BENEFITS OF BEING A CERTIFIED TARGETED SMALL BUSINESS IN IOWA

- Access to low-interest loans of up to \$50,000 for your business. The interest rate is never more than five percent and applicants have five years to repay the loan. Loans require a 10% equity investment from the applicant.
- Access to the 48-Hour TSB Procurement website. This secured website is where all state agencies post their buying needs (bids) 48 hours BEFORE the public sees them. This provides TSBs a "head start" before non-targeted small businesses and a competitive edge!
- FREE technical assistance in the form of one-on-one guidance and counseling; help with writing business plans and completing the TSB loan application (including the 2-year cash flow projections). Technical assistance providers assist with business operational questions or challenges at no cost to the business owner.
- Listing of your business on the TSB Online directory. State agency purchasing directors and private enterprise frequent this directory: <https://dia.iowa.gov/tsb/index.php/search>



GETTING YOUR BUSINESS CERTIFIED

An applicant must first get its business certified BEFORE taking advantage of any TSB Program benefits. The basic requirements to become a certified targeted small business (TSB) in Iowa are:

- Business must be located in the state of Iowa
- Business must be operated for a profit
- Business must have less than \$4 million in gross income, computed as an average of the preceding three fiscal years
- At least 51% of the business must be owned, operated and actively managed by a female, a minority group member or a person with a disability

To learn more about certification, visit the Department of Inspection and Appeals website at <http://www.dia.iowa.gov/page7.html>. It generally takes approximately two weeks to become certified, which is required to start utilizing the TSB program benefits.



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www.iowalifechanging.com

FINANCIAL ASSISTANCE

Access to financing is a common challenge for today's small business owner. Certified TSBs can apply for loans to start OR expand a small business with these terms:

- Maximum loan amount: \$50,000
- Maximum interest rate: 5% (can range from 0% – 5%); the interest rate is determined by the Targeted Small Business Loan Review Board and varies by applicant.
- Applicants have five (5) years to repay the loan
- Applicants must have 10% equity in cash for the loan. For example, if an applicant needs \$25,000 to launch a new business, he or she must have \$2,500 in cash to invest in the business. The TSB program would loan the balance (\$22,500), if approved.
- Loan funds may be used for most business purposes such as to purchase equipment, machinery, acquire inventory, supplies, marketing costs, etc.
- Loan funds CANNOT be used to refinance or consolidate existing debts, travel or training, or for purchase of real estate.

NOTE:

The TSB loan review process usually takes about 10 – 12 weeks from the date the loan application is received. Completed loan applications, containing all necessary information, received by the monthly deadline are reviewed the following month. The monthly application deadlines are available on our website.

To learn more about the Targeted Small Business Program of Iowa, sign up for our newsletters or to access the loan application, instructions and cash flow projection worksheets visit the website: <http://www.iowalifechanging.com/business/tsb.aspx> or feel free to call **1.800.532.1215**.

**TARGETED
SMALL
BUSINESS**
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For more information on these and other programs, contact the Iowa Department of Economic Development (IDED)

1.800.245.IOWA

1.515.725.3100

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