

Loans and Grants

BUSINESS LOAN PROGRAMS

Federal Programs

❑ U. S. Small Business Administration (SBA)

Pittsburgh District Office
411 Seventh Avenue, Suite 1450
Pittsburgh, PA 15219
412-395-6560
www.sba.gov

The Small Business Administration (SBA) administers business loan programs for the Federal Government. Except for the Microloan Program, the SBA ***does not make direct loans to businesses***. The role of the SBA is limited to guaranteeing some portion of a loan from a commercial lender. This guarantee reduces the lender's risk and allows them to underwrite loans they might otherwise not make.

To get an "SBA loan," an applicant must contact a commercial lender. After the lender evaluates the application and decides to request the SBA's guarantee, the borrower is helped through the SBA application process. The SBA has several loan guarantee programs, and the lender determines which program is appropriate.

Almost all banks and other financial institutions are SBA-approved lenders. Each bank's decision guidelines, however, may differ. You should start with your current banking or financial institution, but certainly consider other lenders if your loan application is not approved.

❑ U.S. Department of Agriculture

Butler Area Office
625 Evans City Road, Suite 101
Butler, PA 16001-8704
(724) 482-4800
www.rurdev.usda.gov/pa

Serving Allegheny, Armstrong, Beaver, Butler, Greene, Indiana, Washington Counties

Commonwealth of Pennsylvania

The Department of Community and Economic Development (DCED) administers most of the loan programs supported by the Commonwealth. They, however, use the services of regional organizations to accept applications and provide assistance to borrowers. You can contact the organizations listed below for help with the various state loan programs.

❑ ***Southwestern Pennsylvania Corporation (SPC)***

425 6th Avenue, Suite 2500
Pittsburgh, PA 15219-1852
412-391-5590
www.spcregion.org

❑ ***Pennsylvania Minority Business Development Authority (PMBDA)***

Pennsylvania Department of Community and Economic Development (DCED)
400 North Street, 4th floor
Harrisburg, PA 17120-0225
717-783-1127
www.inventpa.com

❑ ***Bridgeway Capital***

1920 Gulf Tower
707 Grant Street
Pittsburgh, PA 15219
412-201-2450
www.bridgewaycapital.org

❑ ***Catalyst Connection***

2000 Technology Drive
Pittsburgh, PA 15219
412-918-4221
www.catalystconnection.org

❑ ***Regional Development Funding Corporation***

Regional Enterprise Tower
425 Sixth Avenue, Suite 1410
Pittsburgh, PA 15219
412-471-1030
www.rdfc.net

❑ ***Progress Fund*** (focus on rural areas in Western PA)

425 West Pittsburgh Street
Greensburg, PA 15601
724-216-9160
www.progressfund.org

County, City, and Municipality Programs

Many counties and local municipalities sponsor business assistance and loan programs. The level of government participation will vary, however. You should contact the Economic or Community Development Department for your county or municipality.

☐ ALLEGHENY COUNTY–CITY OF PITTSBURGH

- ***Allegheny County Department of Economic Development***
425 Sixth Avenue, Suite 800
Pittsburgh, PA 15219
412-350-1000
www.county.allegheny.pa.us/economic/index.asp
- ***Urban Redevelopment Authority, City of Pittsburgh (URA)***
- ***Allegheny-Pittsburgh Business Development Corporation (APBDC)***
- ***Pittsburgh Economic & Industrial Development Corporation (PEIDC)***
200 Ross Street
Pittsburgh, PA 15219
412-255-6600
www.ura.org/

☐ BEAVER COUNTY

- ***Aliquippa Alliance for Unity and Development (AAUD)***
524 Franklin Avenue
Aliquippa, PA 15001
(724) 378-7422
www.aaud.org
- ***Beaver County Corporation for Economic Development***
250 Insurance Street, Suite 300
Beaver, PA 15009
724-728-8610
- ***Corporation for Owner-Operated Projects (COOP)***
2750 Constitution Boulevard
Beaver Falls, PA 15010
724-847-6440
www.bc-coop.org

❑ **BUTLER COUNTY**

- ***Community Development Corporation of Butler County***
112 Woody Drive
Butler, PA 16001
800-283-0021
724-283-1961

❑ **GREENE COUNTY**

- ***Greene County Industrial Development Authority***
93 East High St.
Waynesburg, PA 15370
724-852-5210
county.greenepa.net

❑ **LAWRENCE COUNTY**

- ***Lawrence County Economic Development Corporation***
Plaza South, Suite 100
100 East Reynolds Street
New Castle, PA 16101
724-658-1488
www.lawrencecounty.com
- ***Northwest Pennsylvania Regional Commission***
395 Seneca Street
Oil City, PA 16301
814-677-4800
www.nwcommission.org

❑ **WASHINGTON COUNTY**

- ***Washington County Council on Economic Development***
40 S. Main St.
Lower Level
Washington, PA 15301
(724)225-8223

Grant Programs

Contrary to popular belief, *little if any grant money is available* to help start up or run a for-profit company. The vast majority of government grant programs mentioned in books, magazine articles, and newspapers, with few special exceptions, are designed for and awarded to state and local governments, non-profit organizations, universities, and research institutions. These grants may ultimately benefit small business, but they are not awarded directly to individual, for-profit businesses, a detail that leads to much confusion.

The federal grant funds that are earmarked for small business usually support government-sponsored programs that provide technical assistance through non-profit organizations or that endow a business loan program rather than to provide “free” money to entrepreneurs. The SBA, for example, uses funds to support loan guarantees to commercial lenders who might otherwise decide that loans to small businesses are too risky.

Corporate or private foundation grants are typically awarded to nonprofit organizations, although they may offer grants to individuals for educational purposes such as scholarships, fellowships, and special studies or research.

Only a handful of grant programs are available to small businesses in Pennsylvania. But, when a business owner finds a grant, it is usually for a *very specific* purpose, typically to support product research and development or for equipment purchases. The money cannot be used for general business start-up or operating purposes. The specialized grants known to us at this time are:

Federal Grants

❑ Small Business Innovative Research (SBIR)

<http://www.sba.gov/hotlists/sbir.html>

SBIR is a highly competitive program that encourages small business to explore their technological potential and provides the incentive to profit from its commercialization. By including qualified small businesses in the nation's R&D arena, high-tech innovation is stimulated and the United States gains entrepreneurial spirit as it meets its specific research and development needs.

The program is not intended to fund all small business research and development. Rather, SBIR grant applicants must propose to do specific research benefiting the mission of that agency, and a grant proposal is necessary. The following ten federal agencies participate in SBIR:

- Department of Agriculture
- Department of Commerce
- Department of Defense
- Department of Education
- Department of Energy

- Department of Health and Human Services
- Department of Transportation
- Environmental Protection Agency
- National Aeronautics and Space Administration
- National Science Foundation

❑ **Small Business Technology Transfer Program (STTR)**

<http://www.sba.gov/SBIR/indexsbir-sttr.html>

STTR is a new small business program that expands funding opportunities in the federal innovation research and development arena. Central to the program is expansion of the public/private sector partnership to include the joint venture opportunities for small business and the nation's premier nonprofit research institutions. STTR's most important role is to foster the innovation necessary to meet the nation's scientific and technological challenges in the 21st century.

Again, STTR grants must further the mission of the appropriate agency. The following five agencies participate in STTR:

- Department of Defense
- Department of Energy
- Department of Health and Human Services
- National Aeronautics and Space Administration
- National Science Foundation

❑ **Tech-Net**

www.sba.gov/sbir/indextechnet.html

Tech-Net is an electronic gateway of technology information and resources for and about small high tech businesses. It is a search engine for researchers, scientists, state, federal and local government officials, a marketing tool for small firms and a potential "link" to investment opportunities for investors and other sources of capital.

It provides an Internet-based database of information containing Small Business Innovation Research (SBIR) awards, Small Business Technology Transfer (STTR) awards, Advanced Technology Program (ATP) awards, and Manufacturing Extension Partners (MEP) centers. It is a free service for those seeking small business partners, small business contractors and subcontractors, leading edge technology research, research partners (small businesses, universities, federal labs and non-profit organizations), manufacturing centers and investment opportunities.

State

❑ **The Independence Capital Network Fund**

<http://www.dli.state.pa.us/ovr>

Office of Vocational Rehabilitation

Room 217 State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222
Phone: (412) 392-4950

The ICAN Fund provides grants to small employers with 100 employees or less to make special accommodations for workers with disabilities. The ICAN program is a joint effort between the Pennsylvania Department of Labor and Industry and the Department of Community and Economic Development. Administered through Labor and Industry's Office of Vocational Rehabilitation (OVR), the program provides grants up to \$50,000 to small businesses for site modifications, specialized or adapted machinery, transportation equipment or facilities, or specialized training. Funds are currently available and applicants must meet specified guidelines and requirements.

❑ **Employee Training, Wage Reimbursement, and Tax Incentive Programs**

Pennsylvania offers several programs to fund specialized employee training

<http://www.dli.state.pa.us/ovr>

Contact OVR District Office that serves your region

❑ **OVR On-the-Job Training**

<http://www.dli.state.pa.us/ovr>

Contact OVR District Office that serves your region

OVR can reimburse employers for a percentage of the weekly wage for a specified period of time to hire and train disabled workers. Both the percentage and the time are negotiable. The employer is responsible for providing the trainer, or Job Coaching is also available for individuals needing intensive on site job training. OVR can hire a Job Coach who does the actual skill training rather than the employer. These training programs enable employers to acquire trained skilled employees capable of satisfying the specific needs of their business.

❑ **Keystone Stars Financial Support Grants**

<http://www.pakeys.org/stars/STARSResources.aspx>

(Office of Child Development, PA Health & Welfare Department – Child Development and Early Learning)

Southwest Regional Key (Allegheny, Fayette, Greene, Washington, Westmoreland Counties)

YWCA of Greater Pittsburgh

305 Wood Street

Pittsburgh, PA 15222

412-255-1175

Northwest Regional Key (Beaver, Butler, Lawrence Counties)

Northwest Institute of Research

3823 West 12th Street

Eric, PA 16505

800-860-2281 or 814-836-5898

❑ **Pollution Prevention/Energy Efficiency Grant Program**

<http://www.dep.state.pa.us>

Department of Environmental Protection

Pittsburgh Regional Office

400 Waterfront Drive

Pittsburgh, PA 15222-4745

412-442-4000

Grants under the Act 190 Pollution Prevention (P2)/Energy Efficiency (E2) Grant Program will be used to fund 80 percent of the total cost of a P2E2 site assessment, up to a maximum of \$5,000 for Pennsylvania small businesses with 100 or fewer employees OR up to a maximum of \$15,000 for holders of any DEP permit (or holder of an air permit from either the Allegheny County Department of Health or Philadelphia Air Management Services).

Local

❑ **Façade and Economic Development Grants**

Some local communities may use their federal and state grants funds to establish a program to fund exterior renovations or to promote economic development. These programs are usually part of overall business district improvements. Many of the facade programs are outright grants; others forgive the “loan” if the owner occupies the building for a specified period of time. Check with the local municipality officials to find out if they sponsor façade restoration or business development programs.

Grant Resource Links

- US Small Business Administration
<http://www.sba.gov>
- Catalog of Federal Domestic Assistance
<http://www.cfda.gov>
- Grants.gov
www.grants.gov
- About.com, US Government Info/Resources, “Federal Grants – No Free Lunch”
<http://usgovinfo.about.com/newsissues/usgovino/blsbgrants>
- Association of Small Business Development Centers
<http://www.smallbusinesslearning.net> (select library, reference materials, loans, grants)
- PA Department of Community & Economic Development
<http://www.paopen4business.state.pa.us>



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