A Maryland Entrepreneur’s Guide
A concise guide to federal and Maryland financing and support programs for emerging companies
Contributed by the Maryland State Bar Association
http://www.msba.org/sec_comm/sections/business/index.htm

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[edit] PRIVATE FINANCING PROGRAMS
[edit] Introduction
[edit] Early-State Private Equity

There are several types of early-stage private equity available for business entrepreneurs. Other than your personal funds, there are the following sources:

(1) Angels are wealthy individuals who invest in the early-stage of start-up companies. The benefit of using angels for early-stage financing is that it is less complicated and generally requires less expense than venture capital financing. However, there are downsides to using angels. Often these individuals can only provide a one-time investment, which may require a greater number of investors to provide all of the needed financing and create an administrative burden. Also, many times angels are not sophisticated investors and may have unrealistic expectations regarding the return on the investment. When financing is obtained from angels it is important for the entrepreneur to ensure that the angel is an “accredited investor” under securities laws.

(2) Venture capital is a fund of pooled investments that is managed by a venture capitalist. It generally becomes involved in the early stage of a company with the intent of growing the business, where a return on its investment will be realized through an eventual IPO or trade sale. The benefits of venture capital are that the funds generally have enough resources to provide much of the company’s needed financing, and many venture capitalists can also provide assistance with general business issues, including formulating a business strategy, recruiting, and providing introductions into the business community. However, the downside of using venture capital is that it requires shared equity, and many venture capitalists insist on also sharing control of the company (usually through representation on the board of

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directors). This financing is generally not available to smaller start-up companies, as the venture capital funds generally desire to make investments upwards of $500,000 to $1,000,000.

Accessing Early-Stage Private Equity

Active Angel Groups

An active angel group consists of high net-worth individuals who join together to invest collectively in entrepreneurial firms. The active angel group meets regularly (often monthly) to review business proposals. Often entrepreneurs are asked to make presentations to the membership of the group. If the active angel group decides to make an investment in a start-up business, the angels work together to conduct "due diligence" to validate the business plan, statements and history of the entrepreneurial team.

The members of active angel groups tend to be former entrepreneurs themselves and are attempting to make a return on their investment, but often are also trying to "give back" to their communities by spurring economic growth, which leads active angel groups to want to invest locally as opposed to nationally.

Some active angel groups are more likely to invest in firms that are recommended by people they trust; therefore, it is important for entrepreneurs to network in the local community to gain a referral. Examples of people to contact include: entrepreneurs who are backed by angels, attorneys who specialize in equity investments in start-up businesses, accountants and business counselors.

Process

Active angel groups conduct several stages of review before making funding decisions. While no two groups of active angels are alike, below is a general list of stages of review:

1. Application/Business Plan
   Angel group websites will contain information regarding the process to complete their application, which often requires submission the entrepreneur’s business plan.

2. Pre-Screening
   Once an application has been completed or a business plan has been submitted, the angel group will review it to determine if the potential investment opportunity meets the angel group’s general requirements and investment preferences.

3. Screening
   If an application is accepted for further review, the entrepreneur will often be asked to meet with a subset of the active angel group to allow the group to further understand the nature of the potential investment, receive more information regarding the business plan, and answer the angels’ questions.

4. Investment Meeting
   If the angels in attendance at the Screening stage show interest in the entrepreneur’s business, the entrepreneur will be invited to present in front of a meeting the entire active angel group. The presentation will be followed by a question and answer session. These types of investment meetings are usually held on a monthly basis.

5. Due Diligence
   If the entire angel group shows interest in the business, a period of due diligence will begin. This due diligence will be conducted by those angels and specialists with knowledge of the specific industry under consideration. The due diligence will be a thorough review of the entrepreneur’s business plan and business including the management team, marketing opportunities, a site visit, customer calls, and financially analysis. This process can take anywhere from a few...
weeks to a few months.
6. Term Sheet If the angel group decides to invest in the entrepreneur, a term sheet for the investment will be negotiated. This term sheet will guide the lawyers in preparing investment agreements and will determine the relationship between the angel group and the entrepreneur.

Examples:
Angel Capital Association: Association of angel groups that provides information and education for entrepreneurs on angel investing.
New Vantage Group: Angel group focusing on Mid-Atlantic region.
Kaufmann Foundation: Provides advocacy and education for entrepreneurs.
Mid-Atlantic Venture Association ("MAVA")
MAVA is an organization designed to "facilitate private equity investing in the mid-Atlantic region and represent the collective interests of venture capitalists with investment interests in the Mid-Atlantic." It is comprised of over 500 venture capital professionals from over 125 venture capital firms, who collectively manage capital totaling over $100 billion.

Programs
1. ALPHAConnect is a program designed to bring together investors with promising technologies in development at universities, federal laboratories and other nonprofits. The program hosts a variety of events throughout the year, including the Annual Mid-Atlantic Innovation Showcase and MAVA ALPHAConnect Luncheon.
2. Capital Connection is an annual event designed to bring together investors with technology companies. This event features start-up, early-stage and expansion-stage companies as well as later-stage private growth companies.
3. The Mid-Atlantic Bio is an annual conference for the bioscience industry that attracts national and international industry leaders. Biotech industry leaders present their technologies, giving investors the ability to learn more about these advances.
4. On the Links Golf: this annual golf tournament brings together venture capitalists with MAVA members for a day of networking on the green.
5. Young Investment Professionals began in the 1990s and is designed to provide opportunities to young venture capitalists through networking, enhanced deal flow, building of co-investment relationships, and education. The program hosts a variety of networking events throughout the year, as well as sponsoring community outreach and professional development projects. The program has over 160 members from 86 venture capital firms.
For more information about this program or becoming a member, call 410-560-5855 or e-mail Kathy O'Laughlin at Kathy@mava.org

Springboard Enterprises
Springboard Enterprises is an organization designed to foster women business entrepreneurs by supporting emerging companies led by women. It describes itself as a "go-to organization" to obtain information and support for women-led emerging companies. This support is intended to accelerate access to equity markets for women-led companies by offering workshops and seminars, membership programs, education, coaching, connections with investors, forums, and a web-based learning center.

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Programs:
1. Venture Forums are designed to feature women-led emerging businesses in front of venture capitalists. 2. Educational programs are offered to provide information regarding the equity markets and building a new company. 3. The Learning Center is an online site designed to provide women entrepreneurs with a "virtual boot camp" regarding the equity raising process. The site contains resources designed to help women better understand the process of obtaining financing for emerging companies. The site contains tutorials on fundamentals of the equity market, creating a pitch, preparing a business plan, and other tools, resources and videos.

Springboard Enterprises: Fosters women business entrepreneurs.

MARYLAND FINANCING PROGRAMS

The state of Maryland has, among others, the following state sponsored financing programs for entrepreneurs to possibly access:

[edit] Maryland Small Business Development Financing Authority (MSB DFA)

MSB DFA is an agency of the Maryland Department of Economic and Business Development (DBED) Website
http://www.choosemaryland.org/Pages/default.aspx. There are private companies that participate as well, such as Meridian Management Group, Inc. The MSB DFA program offers the following four financial assistance programs:

Contract Financing Program (CFP)

a. Eligibility Criteria

At least fifty-one percent of the company must be owned by socially or economically disadvantaged persons, which are defined as persons, who: (1) are member(s) of a group historically deprived of access to normal financial resources; (2) have an identifiable physical handicap which limits their ability to obtain financing; and (3) are otherwise impeded from obtaining financing because of social or economic factors. Since inception in 1978 through June 30, 2008, 276 transactions were settled for total of $40.6 million, the majority of which were through direct loans.

b. Permitted Use of Proceeds

Funds obtained through the CFP may be used either for working capital to complete an existing government or public utility contract or to acquire equipment of machinery to complete such contract. Funding may also be approved pending receipt of such a contract, although draw-down of funds will not be permitted until the contract has been awarded.

c. MSB DFA Financial Assistance under the CFP

(1) Direct Loans

(a) MSB DFA may lend directly up to $2,000,000.

(b) The maximum interest rate applicable to such loans is a floating prime rate plus two percent, but not to exceed fifteen percent.

(c) The term of MSB DFA direct loans is the longer of either one year or the term of the contract.

(2) Loan Guarantees

MSB DFA will guaranty up to ninety percent of the commercial loan (provided that the guaranteed amount may not exceed ($2,000,000).

(a) The maximum interest rate for a guaranteed loan is a floating prime rate plus two percent.

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(b) The term of the MSBDSA guaranty is the longer of one year or the term of the contract.

Guaranty Program (GP)

a. Eligibility Criteria
   (1) At least seventy percent of the company must be owned by socially and economically disadvantaged persons or handicapped persons.
   (2) Preferably, the principal will have had at least eighteen consecutive months of experience in the trade or business for which it is seeking MSBDSA financial assistance.

b. Use of Proceeds
   Funds obtained through the GP can be used for working capital purposes, to acquire or install equipment and machinery, leasehold improvements, and acquisition of real estate or corporate stock or the refinance of debt. Performance- As of June 30, 2008, 279 financings were guaranteed under the CFP totaling $51.9 million since the program began in 1984. (Not limited solely to government contracts or utility agreements.)

c. MSBDSA Financial Assistance under the GP For Loans Between $5,000 and $2,000,000
   (1) Loan Guarantees
      (a) MSBDSA may guaranty up to eighty percent of a qualifying company’s commercial loan (provided that MSBDSA’s exposure does not exceed $2,000,000).
      (b) The maximum interest rate for a guaranteed loan is the prime rate plus two percent.
      (c) The maximum term for a guaranteed loan is ten years.
   (2) Interest Rate Subsidies
      (a) MSBDSA can also subsidize four percentage points of the interest rate being charged by the financial institution.
      (b) Subsidy is subject to annual review.
      (c) Terms of repayment of subsidy are negotiated directly with borrower.
      (d) Is payable quarterly.

Equity Participating Investment Program (EPIP)

EPIP is intended to enhance business ownership through use of loan, loan guarantees or equity investment. EPIP has the following four components and associated requirements (Since inception in 1987 through June 30, 2008, this program has provided 83 loans or equity investments of approximately $14.0 million. In the early days of the program, a majority of the participants were franchise businesses. Within the last ten years, the focus of the program is to provide more assistance to technology based businesses and to more traditional industry sectors.):

(1) EPIP Franchise Component
   (a) Eligibility Criteria
      (i) The company must be a franchise.
      (ii) At least seventy percent of the company must be owned by socially and economically disadvantaged persons or handicapped persons.
      (iii) The lesser of at least ten percent of the company’s capital contributions must have been made by its owner or $250,000.
(b) Permitted Use of Proceeds
Funds obtained through the EPIP can be used to finance purchases of real property, equipment or existing franchises; for leasehold improvements; to pay franchise and training fees; for working capital purposes or expand existing small business.

(c) MSBDFA Purchases of Securities
(i) MSBDFA provides financial assistance to franchisees or franchisors under the EPIP by purchasing their debt or equity securities. MSBDFA purchases of franchisee securities may not exceed the lesser or forty-five percent of its initial project cost or $1,000,000. MSBDFA’s investments are structured so that they are recaptured within seven years.
(ii) Independent Business Appraisal may be required.

(2) EPIP Business Acquisition Component
(a) Eligibility Criteria
(i) At least fifty-one percent of the company must be owned by socially and economically disadvantaged persons or handicapped persons.
(ii) The business being acquired must be at least five years old and must have been profitable two of the last three years.
(iii) If acquiring a business, the principals of the enterprise applying must have an equity investment equal to five percent total acquisition cost and 3 years or more of success.

(b) Permitted Use of Proceeds
(i) Purchase of machinery, equipment, furniture, fixtures, inventory or real estate; leasehold improvements; working capital;
(ii) construction/renovation; or purchase of existing profitable business.

(c) Financial Assistance Terms
(i) Equity investments or loans up to 25 percent of initial project cost or $2,000,000, whichever is less.
(ii) Investments have a loan duration of not more than seven years. Loans are typically repaid within the 4th to 7th year.
(iii) The owner must contribute at least $25,000 or 5 percent of the company’s total capital contributions, whichever is greater.

(3) Technology Investment
(a) Eligibility Criteria
(i) The company must be a technology-based business with a proven technological product or service.
(ii) At least seventy percent of the company must be owned by socially and economically disadvantaged persons or handicapped persons.

(b) Permitted Use of Proceeds
Companies can use the proceeds to purchase of machinery, equipment, furniture, fixtures, inventory or real estate; leasehold improvements; working capital; construction/renovation, to acquire existing profitable business or to develop a technology based business.

(c) Financial Assistant Terms
(i) MSBDFA’s equity investment in a technology-based business may not exceed $2,000,000.
(ii) Investment duration of no more than ten years.
(4) Other Small Business
Same criteria as business acquisitions but limited for purposes of starting or
expanding a business entity.
Surety Bond Program (SBP)
a. Eligibility Criteria
(1) The company must be a “small business.” A “small business” is generally defined
as one that:
(a) employs fewer than fifty persons on a full-time basis;
OR
(b) has less than $10,000,000 in gross annual sales; and
(c) is independently owned; and
(d) cannot subcontract more than 75% dollar value of contract.
b. MSBDFA Financial Assistance under SBP
(Special Note: Until September 30, 2009: Guaranty is 90% percent up to $1,350,000
and Bonds are limited to $1,000,000 each due to cash limitations, the expectations
are the SBP program would later increase such limitations in accordance with the
below to the extent there are funds available to do so)
(1) Bond Guaranty
(2) Until September 30, 2009, the Small Business Surety Bond Fund is used in
guaranty repayment of up to ninety percent of a surety’s losses on bid, payment or
performance bonds (of up to $5 million) issued to qualifying businesses contracting
with a government agency (state, federal or local) or a public utility.
(3) Premiums and fees are determined at time of application, however, the bond
premiums are typically in the range of 2% to 3%.
(4) The guarantee may not exceed the term of the contract and applicable warranty
period for latent defects.
(5) Can establish a surety bond revolving line to directly issue or guaranty multiple
bonds to a principle within pre-approved terms, conditions and limitations.
c. Performance
(1) As of June 30, 3008, 84 projects supported with bonds issued directly or
guaranteed by MSBDFA for a total of approximately $38.9 million. Only 3 claims
totaling less than $300,000 have been paid.
(2) House Bill 169, which passed in 2006, increased maximum amount of $5 million,
but the program expects to be able to increase to $2 million in future years as funds
are permitted.
(3) Bonds
(a) MSBDFA may issue and perform bid, performance and payment bonds as a
surety for businesses contracting with a government agency or public utility.
(b) Such bonds may not exceed $5,000,000. (See Note – funds in program limit to $2
million)
(c) The bonds may not exceed the term of the contract and applicable warranty
period for latent defects.
Maryland Industrial Development Financing Authority (MIDFA)
MIDFA is program managed by DBED. The website is
http://www.choosemaryland.org/businessresources/pages/midfa.aspx. In general,
MIDFA insures repayment of a specified percentage of principal and interest of
loans made to qualifying Maryland businesses by commercial lenders. The Maryland General Assembly established MIDFA to help alleviate conditions of unemployment in Maryland and to promote the development of a balanced state economy through financial assistance to both new and existing industry and commerce. In addition to the MIDFA “Conventional Program” that will be discussed here, MIDFA administers a Tax-Exempt Bond Program, a Taxable Bond Program, a Seafood & Aquaculture Loan Fund, a Linked Deposit Program and supports the Maryland Energy Financing Administration. The Fund is permitted a 5:1 leverage ratio. Fund charges 1/8 of 1% annual issuance fee with respect to taxable or tax-exempt bonds to certain manufacturing, 501(c)(3) non-profit entities and certain solid waste recovery projects. Other bonds may have an issuance fee of ½ of 1% for insured transactions, unless such fee is waived in a qualified distressed “One Maryland” jurisdiction.

As of June 30, 2008, the program had participated in 818 loans totaling more than $2,103,193,475.00. As of such date, 61 loans were active with principal balances of approximately $465,790,000 insuring obligations of $24,685,883.

MIDFA Financial Assistance under the Conventional Program

MIDFA may insure (i) up to the lesser of eight percent of the principal and interest of a qualifying company’s commercial loan or $2.5 million; (ii) up to the lesser of 100 percent of a bond-financed transaction or $7.5 million; and (iii) up to the lesser of 90 percent of the principal and interest of a loan for export-related transactions or $2.5 million. The typical project range is $35,000 to $5 million; the typical MIDFA insurance is in the 30-40% range.

MIDFA also may insure the business’ payment of other borrowing costs such as insurance premiums and other fees.

MIDFA works directly with the business’ commercial lender to determine that amount for which the lender requires third party participation. Ultimately the scope of MIDFA’s guaranty is determined by the lender’s needs and the collateral offered as security for the loan.

The normal maturity for loans insured by MIDFA is 15-20 years on real estate, 7-10 years on equipment, and one year or less for working capital.

Eligibility Criteria

Theoretically, all Maryland businesses are eligible for MIDFA assistance. In practice, however MIDFA generally gives financial assistance only to 501(c)(3) organizations, certain manufacturing facilities and certain solid waste projects. Retail businesses are excluded, unless specifically approved by the Authority. Additional limitations apply to specific transaction type.

Generally speaking, MIDFA expects applicants to generate employment in Maryland. While insurance dollar exposure and jobs guidelines are used, each financing request is analyzed on its own merits and in terms of its own characteristics.

The company must be creditworthy. In general, MIDFA considers the degree of success associated with the company’s past operations as well as its prospective ability to create jobs, generate tax revenue, service its debt, and meet the needs of the community in which it is located.

Application Process

(a) An indication that the credit has been approved by the lender;

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(b) Annual financial statements, with accompanying notes, for at least each of the preceding three years, including balance sheets, profit and loss statements, statements of sources and uses of funds, reconciliations of surplus and statements of changes in financial position covering such period;
(c) Financial projections for the succeeding three years, including projected cash flow statements, projected profit and loss statements and pro forma balance sheets reflecting the new debt and any proposed lease obligations;
(d) A Facility Costs Checklist reflecting the estimated amount of the financing, if any, to be used to construct facilities for the business;
(e) Evidence of the age, normal useful life and cost or market value of any machinery or equipment to be financed with the proceeds of the guaranteed loan; and
(f) Personal financial statements of the individual applicant(s) and personal guarantor(s).

Special Conditions
MIDFA may require the applicant to use its best efforts to maintain a certain “job creation level.” (MIDFA is fundamentally committed to relieving conditions of unemployment in Maryland.)

Use of Proceeds
Funds obtained by the business from an MIDFA‐insured loan may be used to finance purchases of fixed assets (e.g., real property, machinery, equipment, etc.) as well as to pay certain soft costs and for working capital purposes.

Interest Rates
The applicable type and rate of interest will vary depending upon the lender’s needs.

Term of the Loan Guaranty
The term of a MIDFA‐insured loan will vary depending upon the business’ expected use of the proceeds from the loan.

For example, loans obtained to purchase real property generally will be insured for a term of from fifteen to twenty years; loans obtained to purchase equipment or machinery generally will be insured for a term of from seven to ten years; loans obtained for working capital purposes generally will be insured only for a term of one year.

Maryland Industrial Partnerships (MIPs)
The MIPs program is a collaboration between qualifying Maryland companies and the 13 institutions in the University System of Maryland for research to develop commercial products and processes.

MIPs provide a matching service, known as the Maryland Technology Enterprise Institute (MTECH), to help applicant companies find appropriate research faculty within the University System of Maryland. Projects are prepared jointly by the company and the university researcher.

The MIPs program matches the company contribution to the research project up to $90,000 a year for start‐up companies and up to $100,000 per year for other companies. MIPs funding does not go to the participating company but is applied directly to the research.

MIPs and MTECH staff are available for consultation in writing an application. For more information see Maryland Industrial Partnerships (MIPs) Program

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Website
Eligibility Criteria
a. The company must be a Maryland business, meaning that it has a manufacturing, services or research and development operations in Maryland or it must be planning to set up such operations in the state within the year in which the MIPs award is to be received. Applicants may be a single company, a group of companies or non-profit organization.
b. Each proposal must be co-authored by the applicant company and a faculty member from the University System in Maryland who will be involved in the project.
c. The proposals must address innovative technological or scientific concepts. These typically fall within the areas of engineering, computer science, physical sciences or life sciences.
Funding
a. Matching requirements for each project are based on a budget consisting of both the company and the MIPs contributions, with companies being expected to make an additional in-kind contribution that includes the salaries, materials and equipment and other company-budgeted expenses for the work.
(i) For large companies, defined as firms having more than 1,000 employees, the minimum cash and in-kind contributions are 50% and 25% of the project budget.
(ii) For medium companies, defined as firms having 100 to 1,000 employees, the minimum cash and in-kind contributions are 50% and 25% of the project budget.
(iii) For small companies, defined as firms have fewer than 100 employees, the minimum cash and in-kind contributions are 35% and 30% of the project budget.
(iv) For start-up companies -- defined as privately held firms in a product development mode that have been in business four years or less and have annual sales of $1 million or less -- the minimum cash and in-kind contributions are 10% and 35% of the project budget. As an alternative to cash and in-kind contributions, an equity contribution is possible for a start-up company.
b. One-year (one-phase) and two-year (two-phase) projects are eligible. In exceptional cases a third year or phase may be considered. If a two-year project is selected, the status is reviewed at the end of the first year. If satisfactory, the second year of the project will proceed.
c. Each application is reviewed first by MIPs staff, then by experts in the applicable subject area, then by business experts, finally by an evaluation board. Criteria include the likelihood of: (i) success from the technical standpoint; (ii) job creation in Maryland; (iii) improvement of the company's competitive position; and (iv) help to the Maryland economy in some other way. Bonus points in the evaluation are awarded to companies that propose to exceed the minimum cash and in-kind contributions. Other factors in the evaluation include the level of the company's commitment, contribution to the goals of the university, and the possibility of interaction between the company and the university, such as student internships.
Application Process
The schedule of key dates in the application process, based on the calendar year 2008 is as follows:
a. Application packets available August 1; b. Proposals due at MIPs office by October
15; c. Evaluation board selections completed December 16; d. Executed agreements returned by MIPs by January 16; and e. Project commencement by February 1.

Maryland Industrial Partnerships (MIPS) Program

Department of Business & Economic Development Investment Programs

The Maryland Venture Fund is a venture capital investment fund of the state of Maryland that invests directly in life sciences and technology companies and indirectly in venture capital funds, primarily through two programs: the Challenge Investment Program and the Enterprise Investment Fund Program. For more information visit Maryland Venture Fund

Challenge Investment Program

The Challenge Investment Program invests in emerging companies to cover part of the initial costs of bringing new products to market. The initial investments are $50,000 to $100,000, with further incremental investments up to a maximum of $150,000. The investments are structured as convertible debt with a royalty payment.

To qualify, a business must meet the following criteria:
(1) No more than 25 employees;
(2) Annual sales of less than $1 million;
(3) Minimum 1:1 co-investor match by other investors, which may include family and friends;
(4) High-tech company with principal place of business in Maryland;
(5) Remain in Maryland for at least three years; and
(6) Positioned for additional venture capital investment.

Enterprise Investment Fund Program

The Enterprise Investment Fund Program invests in emerging technology companies, typically in the first round of institutional financing, with the goal of helping such companies move to the next stage of development. Investment amounts range from $150,000 to $500,000. The program investment takes the form of an equity position in the company.

To qualify, businesses must meet the following criteria:

a. Operate in a technology industry, such as life sciences (e.g. therapeutics, medical devices and diagnostics) and information technology (e.g. software, communications and IT security);
b. Maintain principal place of business in Maryland for at least five years; and
c. Minimum 3:1 match by a sophisticated investor;

Applications

To apply to either the Challenge Investment Program or the Enterprise Investment Fund Program, a company must meet the above-described eligibility criteria as applicable and submit a business plan to the Maryland Venture Fund. Each application must include the company name and address, contact name and telephone number and detailed background on the company’s founders.

County and Local Support

Baltimore City - Baltimore Development Corporation (BDC)

BDC is a 501(c)(3) corporation contracted with the City of Baltimore to provide economic development services and to act as a liaison between business owners and
City agencies. For more information see http://www.baltimorededvelopment.com/
a. BDC Loan Programs - Revolving Loan/Working Capital Loan Funds (RLF/WC and MILA/RLF)
Available to for-profit businesses and may be used for acquisition and improvement of land, facilities and equipment (including renovation, demolition, site prep and new construction). The funds may also be used for working capital with restrictions. May not be used for relocation from a surplus area or investment activities. Applicants with a current outstanding RLF loan, or to applicants who have received accumulated assistance from the RLF of $150,000 within the previous five-year period are not eligible. Other ineligible businesses include: financial institutions, consulting firms, real estate companies, not-for-profit businesses, developers, or unregulated media.
Loan limits are $500,000 or 30-35% of project costs. Approval by BDC’s Loan Committee and by the City’s Board of Estimates required (and in some instances, approval by the City’s Board of Finance).
b. City General Obligation Bonds
Available to for-profit businesses and some non-profits and are generally restricted to guarantees and capital projects – “brick and mortar” improvements. Refinancing is not permitted.
May not be used for relocation from a surplus area or investment activities.
Applicants with a current outstanding RLF loan or to applicants who have received accumulated assistance from the RLF of $150,000 within the previous five-year period are not eligible. Other ineligible businesses include: consulting firms, unregulated media, real estate companies, investment or speculative activities, speculative developers, and retail.
Eligible projects and loan limits are determined by BDC and may not exceed 30-35% of project costs (subject to availability of funds, number of jobs created, and industry type). Approval by BDC’s Loan Committee and by the City’s Board of Estimates required (and in some instances, approval by the City’s Board of Finance).
c. BDC Small Business Resource Center (SBRC)
The SBRC has a large library and provides free resources to educate owners in starting, planning, financing and marketing a new business. For hours of operation and additional program, see website http://www.baltimorededvelopment.com/small-business-resource-center-0
Anne Arundel County – Economic Development Corporation
Anne Arundel has an Economic development agency that provides various programs for local companies. See website http://www.aaedc.org/
The Anne Arundel County Small Business Resource Center provides services that are free of charge, confidential, and that address the needs and challenges of today’s business environment. The SBRC library is open to the public Monday through Friday and Counseling services can be arranged by visiting the Center. For more information, see http://www.aaedc.org/small_business_resource_center.html
Anne Arundel County business finance office has various programs as well. See website http://www.aaedc.org/business_financing.html
Anne Arundel County Loan Programs
(1) Arundel Business Loan Fund is a program of the Anne Arundel Economic

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Development Corporation, which provides loans with a maximum of $300,000 to new and expanding businesses operating in Anne Arundel County. Loan proceeds may be used for working capital, equipment, furniture, and leasehold improvements. SBA lending regulations apply since the loans involve SBA guarantees.

(2) Business Corridor Investment Loan Program has been established to encourage economic activity in four pilot project areas in Anne Arundel County and the City of Annapolis Revitalization Districts. The BCIP offers qualified business owners zero interest loans of up to $35,000 for improvements to the exterior and interior of their business. The four pilot program areas include: Route 2 Corridor in Brooklyn Park, the Route 2 Corridor and Glen Burnie Town Center in Glen Burnie, the Sun Valley/Mountain Road Corridors in Pasadena, and the West Street Revitalization District in the City of Annapolis. Eligible improvements include:

(a) Renovation of building exteriors,
(b) Site improvements such as landscaping, signage, or lighting, and
(c) Interior improvements such as painting, flooring, plumbing, or electricity.

Baltimore County – Department of Economic Development

Baltimore County has a Department of Economic Development that provides various programs for local companies. For more information see

http://www.baltimorecountymd.gov/Agencies/economicdev/index.html

Baltimore County has a Small Business Resource Center that provides various services to local companies. The Baltimore County Small Business Resource Center is operated through a partnership between the Baltimore County Department of Economic Development and the Baltimore County Chamber of Commerce and offers new and existing business assistance with technical, financial and marketing issues free of charge.

http://www.baltimorecountymd.gov/Agencies/economicdev/edd_smallbus.html

The assistance includes: Feasibility Studies, Demographic Studies, Strategic Planning, Business Structuring Needs, Assessments, Business Valuations, Market Analysis/ Research/ Planning, Business Plan Development, Loan Package Assistance, Certification Process & Procurement, Intellectual Property and Funding Programs. For more information see bccc@baltcountycc.com

Baltimore County has a finance office which helps local companies. See Contact for Baltimore County financing programs at

http://www.baltimorecountymd.gov/Contact/economicdevelopment

Loan Programs

(1) Building Investment Loans - provide interest-free loans for exterior improvements such as awnings, landscaping, signs, and parking for businesses in Commercial Revitalization Districts. For more information:

http://www.baltimorecountymd.gov/Agencies/economicdev/Finance/edd_fin_bilp.html

(2) Small Business Loan Partnership - This fund provides real estate and fixed-asset loans through a partnership between Baltimore County and the area’s leading financial institutions. For more information:

http://www.baltimorecountymd.gov/Agencies/economicdev/Finance/edd_smallbusloadfund.html

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(3) Revitalization Advantage - offers ¼ percent discounts off standard interest rates to qualifying businesses to refurbish or develop property or finance equipment in the County's 13 Commercial Revitalization Districts. For more information: http://www.baltimorecountymd.gov/Agencies/economicdev/Finance/edd_fin_inst_comrev_advntg.html
(4) Business Growth Loans - provide direct loans or loan guarantees to new and expanding industrial and commercial businesses. Maximum loan amount is $250,000. Funds may be used to finance the acquisition and improvement of land, buildings, plant and equipment and includes new construction or facility expansion.
(5) Advanced Technology Loan Fund Direct loans, with the participation of other lending and equity sources, for small technology and/or defense related businesses. Maximum loan amount is the lesser of $100,000 or 50 percent of the project’s eligible costs. Funds may be used to finance the acquisition and improvement of land, buildings, plant and equipment. This includes new construction or facility expansion.
(6) Tax Exempt Bonds Tax-exempt bond financing is available to manufacturers and 501-C3/non-profit organizations. Bond proceeds may be used to finance the acquisition and improvement of land, buildings, plant and equipment, including new construction or facility expansion. Financing is available from $1,000,000 to a maximum of $20,000,000. IRB's are also available for pollution control and waste treatment facility construction or related equipment purchases.

Carroll County Department of Economic Development
Carroll County has a Department of Economic Development that provides services to local companies. See http://www.carrollbiz.org/index.php

Carroll County has Small Business Development Center Provides a variety of management and technical assistance, confidential business consulting services and training programs to help develop and refine business plans, solve problems, find sources of capital and develop strategies to support growth and profitability. See for more information http://www.carrollbiz.org/sbdc/aboutus.html

Carroll County Loan Programs
(1) Carroll County Development Corporation - CCDC is a source of investment and debt financing to support local small business and economic growth in the Carroll County area. The goal of the CCDC is to promote, develop and improve the economic conditions of the people in Carroll County through loans, investments and other business transactions supporting small businesses. For more information, please contact http://www.carrollbiz.org/index.php
(2) Industrial Revenue Bonds - Carroll County can authorize the use of an IRB to help fund a particular project. Tax exempt IRB’s can be offered to manufacturing or other development projects meeting eligibility criteria. Eligible IRB projects costs typically begin at one million dollars. Funds can be used for land, machinery and building construction/renovation. Interest rates vary and the use of a bond counsel is necessary. At no cost, Carroll County will prepare the legal resolution authorizing the project for an IRB and facilitate its presentation to the appropriate body.
(3) Economic Development Trust Fund - The Department has a trust fund available to help fund project specific costs. When eligible, the department may offer grants or low-interest loans for a variety of needs.
(d) Miller Entrepreneurial Institute – the Miller Entrepreneurial Institute is a one-stop resource for small businesses and entrepreneurs seeking training, peer relationships and state-of-the-art technology. The institute offers a large conference room, computer classroom, resource library and training facility with Smart Classroom capability (laptop guided overhead projection system). The Miller Entrepreneurial Institute offers classes as part of the Small Business Training Network of Carroll County. Four partners coming together to serve business needs - Miller Entrepreneurial Institute, Carroll County Department of Economic Development, Small Business Development Center, and Start Up Carroll all provide advise and services to help small businesses grow. Please see http://www.carrolltraining.com/small_business_services.asp for more information.

Cecil County - Office of Economic Development
Cecil County has an Office of Economic Development that provides services. For more information see http://www.ccgov.org/dept_ecdev/

Cecil County's Revolving Loan Fund
Provides funds to qualified borrowers for the purchase of land, buildings and equipment, in accordance with the eligibility requirements of the program. Introduction to appropriate programs of the Small Business Administration can work in conjunction with the local revolving loan fund for qualified borrowers.

Harford County - Office of Economic Development
Harford County has Office of Economic Development that provide various services to local companies. For more information see http://www.harfordcountymd.gov/economic_development/

Harford County has a Small Business Development Center that provides assistance to local companies. For more information see http://www.harford.edu/sbdc/index.asp

Loan Programs
(1) Economic Development Opportunity Fund - Stimulates increased financing for new equipment and operations by complementing traditional lenders, State or Federal funding programs. Local and Federal Funds used to encourage investment, retention and job creation for working capital, equipment purchases, land or building improvements and purchases. Maximum Loan amount is $100,000. Application: http://www.harfordbusiness.org/download/OppFund.PDF
(2) Revolving Loan Fund - Provides funds to creditworthy businesses unable to obtain financing through traditional sources due to limited equity, collateral or cash flow. An alternative incentive provided by the County and a consortium of eight financial institutions to attract, expand and retain small businesses. 1.3 Million Loan Pool. Available to for-profit businesses including manufacturers, wholesalers, retailers, service and agricultural companies. For more information, contact: http://www.harfordcountymd.gov/economic_development/ Loan Amount range from $10,000 to $100,000.
(3) Enterprise Loan Fund - Partnership between M&T Bank offers a 1/4% discount off standard interest rates to qualifying businesses to refurbish or develop commercial property. Program supports Harford County's commitment to revitalizing older industrial areas of the county and supporting resident business retention and expansion. Available to businesses located along Harford County's
Route 40 Corridor, including the Edgewood/Joppa and Greater Aberdeen/Havre de Grace Enterprise Zones. M&T Bank loan amounts range from $50,000 to $3,000,000. Revitalization Advantage loans can be leveraged with other Harford County Loan Funds to maximize savings. County loans up to $100,000 may be available.
(4) Community Block Development Grant for Economic Development - Fosters development in targeted areas. Includes funding for: Water and Sewer Lines to industrial sites, Extension of Rail Service to industrial sites, Construction and Renovation of new and expanding businesses.
(5) Industrial Revenue Bonds for Manufacturers and 501(c) (3) Organizations - Tax exempt financing for the acquisition of land, buildings, and equipment IRB Bonds are sold to lending institutions, investors and the public IRB Purchaser determines fixed or floating interest rate Federal law limits the terms, amount and uses of financing.
Howard County - Economic Development Authority
Howard County has an Economic Development Authority that provides various services to local companies. For more information see http://www.hceda.org/ Howard County has Business Resource Center that one-on-one counseling in all aspects of business management, from start up, business planning and financing, to marketing, networking, and strategic planning for business growth. Business Resource Center clients can find professional assistance in areas as varied as government procurement, certifications, business planning and international trade. Access to sophisticated business resources, reference materials, training seminars and workshops is also available. For more information see http://www.hceda.org/CBTD/brc.aspx The Business Resource Center provides the following ongoing entrepreneurial support:
(a) Referrals to the small business networking group, which provide entrepreneurial support.
(b) The Business Funding Advisory Office is staffed by professionals who advise entrepreneurs of funding opportunities available to meet their needs.
(c) The Franchise Advisory Office offers advice, guidance, and seminars on the business aspects of franchising.
(d) The International Trade Center develops recognition and awareness of international trade opportunities for small and medium size Howard County companies and assists them in developing and increasing their international business opportunities through counseling, workshops, and referrals to state/federal agencies.
(e) The Government Contracting Institute (GCI) offers businesses the opportunity to receive instruction from leaders in the government contracting market on topics such as getting registered as a contractor, certification, business development, market research, proposal writing, oral presentations, accounting and legal issues, project and contract management and security clearances.
(f) The Virtual Office is a program for small and home-based businesses in Howard County that provides a business address for receipt of mail, access to conference and meeting facilities equipped with audio/visual equipment/internet access and a business library.
Loan Programs:

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(1) Economic Development Incentives Fund - Howard County has created an Economic Development Incentive Fund which is funded by an issuer fee on tax exempt financing. Monies from this fund are used as a matching requirement to obtain state funding.

(2) Jim Rouse Entrepreneurial Fund - JREF was established to help foster the development of new and growing businesses through education, mentoring and financing. Loans of up to $100,000 are made to small or start-up businesses for expansion or start-up costs.

(3) US Route 1 and US Route 40 Revitalization Loan Programs - The Route 1 and Route 40 loan programs were established to encourage businesses to improve building and site conditions along both corridors. The programs offer at or below prime rate financing through participating banks.

Center for Business and Technology Development - Founded in May, 2000, is dedicated to the discovery, stimulation, nurturing, growth and success of entrepreneurship in Howard County. The Center for Business and Technology has gained a reputation for creating innovative programs to foster entrepreneurship in the greater Washington/Baltimore region. For more information see http://www.hceda.org/CBTD/index.aspx

j-ref

j-ref is a private, not-for-profit organization dedicated to fostering the entrepreneurial spirit in Howard County, Maryland. j-ref is a small business financier that assists small and emerging businesses located in Howard County. It provides financing and other needed forms of management and education assistance to maximize business growth. For more information see http://www.jref.org. In addition to other services, j-ref provides the following services:

(a) Business Services:
   (i) Business loans up to $250,000.
   (ii) Business advice to meet the specific needs of the entrepreneur.
   (iii) Business and strategic plan review and business education

(b) Real Estate Loans Program:
   (i) Business and real estate must be located in Howard County
   (ii) Loans up to $250,000
   (iii) No Prepayment Penalty
   (iv) Floating Rates
   (v) 75% or more Owner Occupied
   (vi) Cash Down Payment as low as 5%

Other County Economic Development Offices

Allegany County Economic Development - for more information see http://www.alleganyworks.org.

Calvert County Department of Economic Development for more information see http://www.ecalvert.com/index.asp.

Caroline Economic Development Corporation for more information see http://www.carolinebusiness.com/.

Cecil County Office of Economic Development for more information see http://www.ccgov.org/dept_ecdev/.

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Maryland Assistance to Agricultural Business
Maryland Agricultural and Resource-Based Industry Development Corp (MARBIDCO)
MARBIDCO is a Maryland state sponsored development entity formed for the purpose of delivering enhanced financing opportunities to the agriculture, forestry and seafood industries and to assist in state and local, rural land conservation agencies with the farmland and forestland preservation efforts. For more information, please see http://www.mARBIDCO.org.

a. MARBIDCO Loan Programs

MARBIDCO offers three direct loan programs and an equity financing program.

(1) Maryland Resource-Based Industry Financing Fund offers low-interest loans to purchase land and capital equipment for food and fiber production and processing activities.

(2) The Rural Business Working Capital Loan Fund offers loans for working capital and equipment purchases at 1% below the prevailing prime rate; while the Forestry Equipment and Working Capital Loan Fund offers flexibility-priced loans to
Maryland’s forest products businesses for working capital and equipment purchases.

(3) The Agricultural Cooperatives Equity Investment Program provides capital investment needed by agricultural cooperatives when business operations are beginning or significantly expanding.

b. MARBIDCO grant programs:

MARBIDCO offers the following grant programs:

(1) The Rural Business Energy Efficiency Grant and Loan Interest Rate Buy-Down Program, that helps established firms and producers in acquiring energy saving equipment and technology. Grants can be made up to 10% of a project’s cost, contingent upon a third party energy audit report.

(2) The Maryland Farm and Producer Viability Program was created to help early stage enterprises with business plan development and identifying and accessing operational and market risk.

(3) Maryland Value Added Producer Grant Program provides a portion of the federally required matching funds to qualified Maryland applicants to USDA’s highly competitive Value-Added Producer Grant Program.

(4) The Local Government Agricultural/Resource-Based Industry Project Cost Share Program supports local and regional rural business development efforts by offering matching cost share assistance for agribusiness development projects.

c. Installment Purchase Agreements

Beginning in 2008, MARBIDCO offered installment purchase agreements to sellers of land conservation easements to benefit land owners and the State in a tax advantage arrangement. In addition, a new program, the Next Generation Farmland Acquisition Program was developed to assist to help young or beginning farmers to purchaser and permanently preserve farmland.

d. For more information see http://www.marbidco.org/about/contact.html.

Other Maryland Agriculture Assistance

a. Maryland Department of Agriculture

Maryland’s Department of Agriculture provides a number of programs to assist companies. Among them are the following (for additional programs, please see http://www.mda.state.md.us/):

1. Maryland Agriculture’s Marketing Services

Maryland Department of Agriculture’s Marketing Services which follows and promotes an aggressive marketing strategy to expand economic opportunities for Maryland farmers and food businesses, both domestically and internationally.

2. The Department of Agriculture

MD Agriculture also operates many programs that protect the quality of Maryland’s agriculture and food programs:

(1) Plant Protection and Weed Management;

(2) Apiary Inspections

(3) Nursery Inspections and Plant Questionnaire

(4) Turf and Seed Oversight

(5) The State Chemist

(6) Agricultural Products Grading Services

(7) Egg Inspections

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For over 60 years the US Small Business Administration ("SBA") has helped small business owners by counseling, financial support, contracts and other forms of assistance. SBA’s programs now include financial and federal contract procurement assistance, management assistance, and specialized outreach to women, minorities and armed forces veterans. SBA also provides loans to victims of natural disasters and specialized advice and assistance in international trade. SBA provides assistances primarily through its four programmatic functions: (1) Access to Capital (Business Financing); (2) Entrepreneurial Development & Education; (3) Government Contracting & Federal Procurement; and (4) Advocacy for Small Businesses.

SBA Loan Programs:
SBA provides small businesses with an array of financing for small businesses, including microloans, venture capital, substantial debt obligations and loan guarantee programs. For more information see http://www.sba.gov/category/navigation-structure/loans-grants/small-businessloans/sba-loan-programs.

Basic 7(a) Loan Program
The 7(a) Loan Program includes financial help for businesses with special needs. Loans are available for businesses that handle exports to foreign countries, businesses that operate in rural areas, and for other very specific purposes.

(i) Special Purpose Loans. SBA offers several special purpose 7(a) loans to aid businesses that have been impacted by NAFTA, to provide financial assistance to Employee Stock Ownership Plans, and to help implement pollution control mechanisms.

1) CAPLines- which is an umbrella program that helps small businesses meet certain working capital needs.

2) CAIP- or the Community Adjustment and Investment Program which is directed to assist businesses affected by the North American Free Trade Agreement.

3) Pollution Control – which as of 2011 is not currently offered due to lack of appropriations, but is specifically designed to help businesses that are reducing their environmental impact.

4) Employee Trusts Program which is designed to provide financial assistance to Employee Stock Ownership Plans.

(ii) Express Programs that offer expedited loan procedures for select borrowers, particularly active military, veterans and borrowers from distressed communities.

(iii) Export Loan Programs which are designed to aid small businesses expand their exports.

(iv) Rural Business Loans to aid the small community/rural based lender in streamlining the loan process to aid businesses in local communities that have

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suffered economic loss and high unemployment.
(v) 7(a) Loan Proceeds may be used to establish a new business or assist in the acquisition, operation or expansion of an existing business, including any of the following:
(1) Purchasing land or buildings or new construction;
(2) Purchase of equipment, machinery, furniture, fixtures, supplies or materials;
(3) Working capital needs;
(4) Financing existing inventory under special conditions;
(5) The refinancing of existing business indebtedness that is not already structured with reasonable terms and conditions; or
(6) To purchase an existing business.
(vi) Advantage 7(a) Loan Initiatives are aimed at increasing the number of loans to small businesses and entrepreneurs in underserved communities.
(1) Maximum Loan Size $250,000
(2) Loan Guarantee of 85% for loans up to $150,000 and 75% for loans greater than $150,000
7(m) Loan Program or MicroLoan Program
It is a program that provides small, short-term loans to small businesses and certain not-for-profit.
(i) Maximum Loan amount is $50,000, average loan is $13,000.
(ii) Maximum loan term is 6 years
(iii) Interests Rates vary based on Intermediary, but have been between 8% and 13%
(iv) Permitted Uses:
(1) Working capital
(2) Purchase of inventory, supplies, furniture or fixtures
(3) Purchase of machinery or equipment
CDC 504 Loan Program
The CDC/504 loan program is designed to encourage economic development within a community by providing small businesses with long-term, fixed rate financing for expansion or modernization.
(i) Typically, a CDC/504 project includes:
(1) A loan secured with a private lender with a senior lien for 50% of the project cost
(2) SBA provides a 100% guaranteed debenture and a junior lien for up to 40% of project cost
(3) Borrower must contribute 10% of project cost as equity
(ii) Use of 504 Loan Funds.
(1) Purchase of land and existing buildings, improvements, utilities, parking or landscaping.
(2) Construction of new facilities or modernization, renovation or conversion of existing facilities
(3) Purchase of machinery & equipment
(4) Cannot be used for working capital, inventory or refinancing debt.
(iii) General
(1) Borrower must be Small Business with SBA Size Standards

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(2) Minimum Loan is $1.5 million
(3) Collateral and personal guarantees of owners required.

Small Business Innovation Research Program (SBIR)
The SBA’s Office of Technology administers the Small Business Innovation Research (SBIR) Program. The SBIR is aimed at ensuring that small US, high-tech, innovative businesses play a significant role in the federal government’s research and development efforts. For more information see http://www.sba.gov/about-sbaservices/7050.

Eligibility Criteria
(1) American-owned and independently operated
(2) For-profit
(3) Principal researcher employed by business
(4) Company size limited to 500 employees

Participating Federal Agencies
Each year, eleven federal departments and agencies are required by SBIR to reserve a portion of their R&D funds for award to small business. These agencies include:
(1) Department of Agriculture
(2) Department of Commerce
(3) Department of Defense
(4) Department of Education
(5) Department of Energy
(6) Department of Health and Human Services
(7) Department of Homeland Security
(8) Department of Transportation
(9) Environmental Protection Agency
(10) National Aeronautics and Space Administration
(11) National Science Foundation

SBIR Application Process
The application is a Three Phase Program
(1) Phase I is the startup phase. Awards of up to $100,000, for approximately six months, support exploration of the technical merit or feasibility of an idea or technology.
(2) Phase II awards up to $750,000, for as many as two years, expands Phase I results. During this time, the R&D work is performed and the developer evaluates commercialization potential. Only Phase I award winners are considered for Phase II.
(3) Phase III is the period during which Phase II innovation moves from the laboratory into the marketplace. No SBIR funds support this phase. The small business must find funding in the private sector or other non-SBIR federal agency funding.

The SBA Role - The SBA plays an important role as the coordinating agency for the SBIR program. It directs the 11 agencies' implementation of SBIR, reviews their progress, and reports annually to Congress on its operation.

Intellectual Property Rights
Participation in the SBIR program and the STTR Program (discussed below) require the small business to allocate certain intellectual property rights to the government.

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Although some exclusions can be made for intellectual property developed prior to participation in either program, care must be exercised in reviewing the contracts to ensure that the maximum protection available to the small business is obtained.

The Small Business Technology Transfer Program (STTR)

Like the SBIR Program, the STTR is a small business program that provides funding opportunities in the federal innovation research and development arena. This program focuses on the expansion of public/private sector 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.

Eligibility for For Profit Entities
(1) American-owned and independently operated;
(2) For-Profit;
(3) Principal researcher need not be employed by small business;
(4) Company size limited to 500 employees.

Eligibility for Nonprofit Research Institutions
(1) No size limit.
(2) Located in the US.
(3) Meet one of three definitions.
(4) Nonprofit college or university.
(5) Domestic nonprofit research organization.
(6) Federally funded R&D center (FFRDC).

List of Participating Agencies.
(1) Department of Defense
(2) Department of Energy
(3) Department of Health and Human Services
(4) National Aeronautics and Space Administration
(5) National Science Foundation

These agencies designate R&D topics and accept proposals.

Application Process.
The participating agencies make STTR awards based on small business/nonprofit research institution qualification, degree of innovation, and future market potential. Small businesses that receive awards then begin a three-phase program.
(1) Phase I is the startup phase. Awards of up to $100,000 for approximately one year fund the exploration of the scientific, technical, and commercial feasibility of an idea or technology.
(2) Phase II awards of up to $750,000, for as long as two years, expand Phase I results. During this period, the R&D work is performed and the developer begins to consider commercial potential. Only Phase I award winners are considered for Phase II.
(3) Phase III is the period during which Phase II innovation moves from the laboratory into the marketplace. No STTR funds support this phase. The small business must find funding in the private sector or other non-STTR federal agency funding.

Small Business Investment Company (SBIC)
Small Business Investment Companies (“SBICs”) are government-supported private
equity funds which make investments in American small businesses under licenses granted by the U.S. Small Business Administration (“SBA”). Once licensed, SBICs must comply with SBA regulations.

The SBA’s Investment Division administers the SBIC program. The Investment Division is located at the SBA’s national headquarters at 409 Third Street, SW, Washington, D. C. 20006.

The SBIC program was created by Congress in 1958. Since 1958, SBICs have invested over $55 billion in small U.S. companies. In the fiscal year ending on September 30, 2009 alone, SBICs participated in nearly 2,700 financings, investing $1,856,000,000 in 1,481 small businesses.

Many major American small businesses were assisted by SBIC financings during their early years. These include: Intel, Apple Computer, Federal Express, JetBlue Airways, Staples, Outback Steakhouse, Radio One and Build-a-Bear Workshop.

As of April, 2010, there were 311 licensed SBICs in forty-three states. There were 35 SBICs in Maryland and its contiguous states; however, most SBICs operate on a regional basis, and therefore many SBICs located east of the Mississippi River are potentially interested in investing in Maryland small businesses. A directory of all currently licensed SBICs can be found at http://www.sba.gov/sites/default/files/inv_sbicall.txt.

The most salient factor of the current SBIC program is that low interest government loans, known as “Leverage”, are customarily made available to SBICs in the form of “Debentures”, which are ten year unsecured loans under the terms of which interest must be paid to the government semi-annually.

The practical effect of the semi-annual interest requirement is that SBICs must necessarily invest most of their capital in cash flow positive companies that will be able to pay interest to the SBICs semi-annually so that the SBICs in turn will be able to pay the SBA interest on the Debentures semi-annually. The Debenture program is thus well suited to the mezzanine investing model. This means that SBIC investments in private companies are typically structured as debt (generally unsecured or with a junior secured position) bearing a significantly higher interest rate than normal bank loans, and the SBIC further obtains an equity “kicker” in the form of warrants. The SBIC will generally either obtain a seat on the company’s board of directors or at least observation rights at board meetings.

Virtually every Small Business Investment Company (“SBIC”) is organized as a limited partnership. The limited partnership is generally set up with an initial tenyear life. The working assumption of the SBA is that for the first five years the SBIC will make investments in portfolio companies and for the second five years the SBIC will exit those investments. Because of the relatively short time horizon of SBIC investments, the SBIC will generally negotiate alternate exit options at the time that the SBIC financing is arranged. Further, because most SBICs derive most of their income from their equity “kickers”, SBICs are most interested in investing in small, rapidly growing firms with solid business plans and capable management.

Further information about the SBIC program can be obtained from the official SBA website: http://archive.sba.gov/aboutsba/sbaprograms/inv/index.html.

For more information see http://www.sba.gov/content/sbic-program-0.

Cooperative Research and Development Agreements (CRADAs)

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CRADA’s are written agreements between one or more federal agencies and one or more non-federal parties. A CRADA allows the federal government and non-federal partners to optimize their resources, share technical expertise in a protected environment, share intellectual property emerging from the effort, and advance the commercialization of federally developed technology.

CRADA’s were created as a result of the Stevenson-Wydler Technology Innovation Act of 1980, Public Law 96-480, as amended by the Federal Technology Transfer Act of 1986, Public Law 99-502. CRADA’s are authorized by 15 U.S.C. §3710a et seq. and are subject to applicable government agency regulations.

Purpose

CRADA’s allow government researchers to exchange technical expertise with nonfederal partners and to accept reimbursement for research conducted under the CRADA. CRADA’s are appropriate when ideas, staff, materials, equipment is to be exchanged over a period of time for the purpose of collaboration and/or an invention may result. Money can be provided to a government agency under a CRADA.

The government may contribute a wide variety of resources, including personnel, services, facilities, equipment, intellectual property, and any other resources that would fall under the umbrella of “personnel, services and property.”

The government may not contribute funds.

Participation

CRADA’s must involve at least one non-federal party. In addition to government scientists, the other participants in a CRADA may be one or more of the following: private corporations (U.S. or foreign), nonprofit and not-for-profit institutions (U.S. or foreign), individuals (U.S. or foreign), state and local governments (U.S.), and other federal agencies (U.S.).

Small businesses generally receive special consideration. Businesses located in the U.S. that agree that the products embodying inventions will be substantially manufactured in the U.S. receive preferential treatment.

In case of an entity under the control of a foreign government, consider if that foreign government permits U.S. entities to enter into CRADA’s or licensing agreements.

Agreement

A CRADA is not a procurement contract or grant and should not be viewed as an alternative to normal procurement procedures. Generally, the governmental agency provides a standard document to begin negotiations. The parties may negotiate some of the provisions.

Proposals & Information

There is no central listing for CRADA opportunities, which arise periodically. Information may be obtained by contacting government agencies or laboratories relevant to your industry directly. Each government agency or laboratory will provide a description of any existing CRADA opportunity and procedures for entering into a specific CRADA. Additionally, prospective CRADA’s are often advertised in the Federal Register: http://www.gpoaccess.gov/fr/

Small Business Concern

A small business concern is a business organized for profit with its principal place of

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business in the United States, that does not exceed the numerical size standard for its industry.
These entities are self-certified, and do not need a complicated application process typically required in the other programs identified above. This is intended to insure that funds earmarked for small businesses go to small businesses and most of the programs referenced hereunder require that the applicant firm meet the size standards established by the SBA for its specific SIC or NAICS industry code. These size standards set forth the total annual receipts that can be received by each entity and, in some circumstances a cap on the number of employees that an applicant firm has to still be considered as a small business.
This is one of the broadest categories and there are certain contracts available for small business concerns regardless of social or economic disadvantage as may be required under other SBA programs. For example, a temporary placement agency for employees cannot have annual receipts in excess of more than $6.5 million a year to qualify. For more information, please see http://www.sba.gov/content/ami-small-business-concern.
Small Disadvantaged Business Concern (SDB) & 8(a) Program Small Disadvantaged Business Concerns
Participants under the 8(a) program and the SDB program receive broad assistance from the Small Business Administration (the “SBA”) intended to assist socially and economically disadvantaged firms in competing in the market. It is a nine-year business development program that provides counseling, marketing and technical assistance to small business certified for participation.
The exception is that the SDB program strictly pertains to benefits in federal procurement. 8(a) firms automatically qualify for SDB program. For more information, please see http://www.sba.gov/content/8a-business-development.

Eligibility
To be eligible for 8(a) or SDB treatment eligible firms must be (i) a small business, (ii) unconditionally owned and controlled by one or more socially and economically disadvantaged individuals who are of good character and citizens of the US and (iii) who have demonstrated the potential for success. On February 11, 2011, the SBA adopted new rules regarding the 8(a) program which take effect on March 14, 2011. Gender is not currently enough to qualify as belonging to a socially disadvantaged class and typically 8(a) programs are reserved for minority businesses.
In order to establish that an individual is economically disadvantaged the personal adjusted gross income of the individual cannot exceed $250,000 averaged over the past three years intially, and $350,000 for continued eligibility.
In addition, in order to establish that the applicant firm is economically disadvantaged, the owner may not have a personal net worth (after excluding the individual’s equity in the firm and equity in their primary residence and IRA accounts) of more than $250,000 initially or $750,000 for continuing eligibility.
Moreover, the applicant cannot have total assets that exceed $4 million for initial eligibility and $6 million for continued eligibility.
The SBA also considers the individual’s average two-year income, fair market value of all assets owned by the individual owners, the access to capital and credit available to the individual and the financial condition of the applicant firm in
determining economic disadvantage

Benefits
Certified SDBs are eligible for special bidding benefits and the SBA offers incentives to prime contractors to award contracts to eligible 8(a)/SDB firms. These benefits include:

Evaluation credits to prime contractors to increase and create subcontracting opportunities for SDBs and for meeting certain SDB subcontract targets.

Listing on PRO-Net, an on-line registry of SDB-certified firms, that can be searched by contracting officers and large business prime contractors for potential suppliers.

Price evaluation adjustments of up to 10 percent when bidding on federal contracts in certain industries and under certain circumstances to prevent SDB firms from being outbid by larger companies who have greater economies of scale. The price credit or price evaluation adjustments are not available for industry categories where benchmarks are not required. In addition, the price evaluation adjustments do not apply to 1) procurements that are below the simplified acquisition threshold of $100,000; 2) procurements that are set aside for small business; 3) procurements under the SBA 8(a) program.

Certain business planning and business development tools, particularly in the area of procurement.

Veteran Owned Small Business Concern & Service Disabled Veteran Owned Small Business Concerns
A Veteran Owned Small Business Concern (VOSB) is a small business concern of which not less than 51 percent is owned by one or more veterans; and one or more veterans control the management and daily operations of such firm. A servicedisabled veteran owned small business concern (SDVOSB) has the same criteria as a VOSB, except that the 51% also must be owned by a veteran that was wounded and became disabled in connection with his or her service in the armed forces. In each case the veteran must control the management and daily operations of the business and hold the highest officer position in the business.
Both types of concerns may self-certify their status through the provision in FAR 52.219-1.
Many government agencies have established a set-aside program for servicedisabled veterans.
In addition, there are potentially certain procurement preferences for small business concerns owned and controlled by service-disabled veterans. The SBA may consider a service-disabled veteran as disadvantaged for the purposes of the Section 8(a) program on a case-by-case basis, which would grant SDVOSB firm additional benefits. For more information, please see http://www.sba.gov/content/veteranservice-disabled-veteran-owned.

Woman-Owned Small Business Concerns (WOSB)
The WOSB program promotes the growth of women-owned businesses through programs that address business training and technical assistance, and provide access to credit and capital, federal contracts, and international trade opportunities. This is a self-certifying program governed by the SBA and should not be confused with the MBE/DBE/program affiliated with the Department of Transportation that has more stringent certification procedures.

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It is not uncommon for a federal contractor to require a WOSB firm to provide evidence of certification, and the MBE/DBE program discussed below may assist in providing such certification. For more information, please see http://www.sba.gov/content/women-owned-small-business-federal-contractprogram.

Eligibility

Women-owned small business concern is a small business concern (1) which is at least fifty-one percent (51%) owned by one or more women who are US citizens; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and (2) whose management and daily business operations are controlled by one or more women.

An economically disadvantaged WOSB or (EDWOSB) is a WOSB whose owners are economically disadvantaged. A woman is presumed economically disadvantaged if her personal net worth is less than $750,000 (with some exclusions); her adjusted gross yearly income averaged over the three years prior to certification is less than $350,000, and the fair market value of all of her assets is less than $6 million (with some exclusions).

Exclusions from the personal net worth calculation are as follows:

- the ownership interest in the EDWOSB equity in the primary personal residence
- any income received from the EDWOSB that is a S Corporation, LLC or partnership if the woman can demonstrate that the distributions were reinvested into the entity or used to pay taxes arising in the normal course of business
- IRA funds or other official retirement accounts that are unavailable until retirement age without a significant penalty.

Benefits

There are annual goals established by the government to have at least five percent (5%) of the total value of all prime contract and subcontract awards for each fiscal year to be awarded to WOSBs. Contracting officers may set aside contracts in 83 NAICS industries where WOSB’s are underrepresented or substantially underrepresented. For more information on the NAICS codes affected, please see http://www.sba.gov/sites/default/files/files/gc_wosb_naics_grids.pdf. The set aside can only occur if the contracting officer has a reasonable expectation that two or more WOSBs or EDWOSBs will submit offers for the contract and the anticipated contract price is not greater than $5 million for manufacturing contracts and $3 million for other contracts.

INCUBATORS

University Incubators

Technology Advancement Program at University of Maryland College Park (TAP)

TAP, is a program at the University of Maryland College Park. It is a division of the A. James Clark School of Engineering. TAP offers a cost-effective modern wet laboratory, furnished offices and conference rooms equipped with Telecom systems, internet, HVAC around the clock, and utilities. For more information on the program, see www.tap.umd.edu.

University Expertise- Experienced professionals assist companies in TAP with: (a) Extensive advising and coaching (b) Fundraising from investors and grantors (c)
Market analysis, business planning and customer acquisition strategy (d) Financial Analysis (e) Preparations for investor presentations and due diligence preparation (f) Legal advice (g) TAP has their own Intellectual Property Clinic (h) Press release services (i) Executive recruiting (j) Legal and Intellectual Property protection clinic (2) Special Facilities (a) Biotechnology Research and Education Programs (b) Maryland Nano Center (c) University of Maryland Energy Research Center

Eligibility Criteria & Application

Candidates for the program must be early-stage companies that are developing technology oriented products or services. The admission process generally can take anywhere from a few weeks to a few months. Period of residence in the incubator is generally one to four years. There are three steps an applicant must take in order to be accepted into the TAP program.

(a) Submit an executive summary. Once the summary is reviewed TAP management will contact applicants to question them about their summary. Also, TAP executives will require a face-to-face meeting or teleconference with the applicant.

(b) If a company’s executive summary is approved than an entrepreneur will need to create a Technical Plan. This plan will be analyzed by TAP’s executives to determine the feasibility of the company.

(c) If the company’s technical plan is approved than an entrepreneur will need to submit a Business Plan and afterwards the entrepreneur will need to present his or her Business Plan to a panel of industry and business experts.

For more information, please see: http://www.tap.umd.edu/

Incubator and Accelerator - University of Maryland Baltimore County (UMBC Tech Center)

This program is administered by the University of Maryland-Baltimore County (UMBC), located adjacent to the UMBC campus. This program is a part of bwtech@UMBC Research and Technology Park. UMBC’s incubator also operates an Idea Lab to help UMBC students and faculty develop businesses. This incubator assists start-up biotechnology companies or existing mid-size information technology firms who desire to grow their business. “The technology center at UMBC is arguably the region’s most successful incubator for bio-science companies. In Vitro Technologies a profitable company that grew from two employees to 80 in 10 years, and Cell Works, which has grown from three to 30 employees over the past 4 years, are the two most notable examples of companies that graduated UMBC’s incubation program and found homes in Baltimore” One Billion in Projects for Johns Hopkins in Baltimore—Charles Belfoure.

UMBC bwtech@UMBC created the research and technology park to strengthen its role as an economic engine for Maryland and Baltimore County. This program has an infrastructure in place to help launch a business or expand an already existing company. Any firm accepted by this organization will have access to university expertise, UMBC students, various programs, and UMBC’s facilities.

A board composed of over a dozen professionals is able to assist companies participating in the Incubator and Accelerator Programs.

The typical period of residence in the incubator is limited to three years, however, with approval, life sciences companies may be able to stay longer. The Incubator and Accelerator complex includes three buildings: the main building is a four-story facility with two full-service elevators, on-site dining overlooking the

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city of Baltimore, and state-of-the-art conference and seminar rooms. The biotechnology building is a three-story facility of offices and wet laboratories with a full service elevator, loading dock, and handicapped accessible loading dock. Finally, the last building has UMBC Training Centers which provide Accelerator and Incubator participants with professional, scientific and technical training. For more information, please see www.bwtechumbc.com.

(1) The Incubator Program is designed for start-up companies.
(2) The Accelerator Program is designed for second stage companies that are looking to expand.
(3) A program that is unique to UMBC is ACTiVATE which is a year-long program that pairs competent business women from the Maryland area with technologies that were developed by students at Maryland. This program received an award for the Best Specialty Entrepreneurship Education Program from the U.S. Association for Small Business Entrepreneurship’s.
(4) there are over a dozen research programs at UMBC designed to facilitate the success of any start-up or fledgling company.

Experienced professionals are available to help any company, whether start-up or emerging. They provide services ranging from:
(a) Comprehensive business plan assistance.
(b) Providing formal business plan overviews.
(c) Assessing strengths and weaknesses of companies.
(d) Recruiting; qualifying and organizing professional mentors and external professional resources for clients.

Students
Students are active in serving the companies in these programs. There are 11,000 students at UMBC who are majoring in either IT, Engineering, the Sciences or Liberal Arts. There are networks in place at UMBC to introduce UMBC alums and UMBC students with companies in the Accelerator and Incubator programs.

Eligibility Criteria
a. An applicant for this program needs to have an information technology or biotechnology focus. Also, he/she could have research and development components to his/her business.

b. The application for the incubator can be completed electronically and is composed of three parts; general application, executive summary, and sources and uses statement.http://www.umbc.edu/techcenter/application.html

c. The University of Maryland takes a small equity position in any company that is accepted into the incubator program. Traditionally, they take a 1% equity share for every year that a company participates in the program. Accelerator companies enter into commercial leases with the University of Maryland and do not cede any equity to the school.

For more information, please visit: http://www.bwtechumbc.com/

Non-University Incubators.
Chesapeake Innovation Center
The Chesapeake Innovation Center is a business accelerator that focuses the power of entrepreneurship on America’s most pressing security requirements. Created by the Anne Arundel Economic Development Corporation, CIC sources and screens

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early stage technology companies and connects those that match the desired criteria to a valuable network of industry leading “Partners” in both, the public and private sectors. For more information, see http://www.cic-tech.org.

Emerging Technology Center (ETC)
The Emerging Technology Center is a nonprofit business incubator program that is geared toward growing early stage, technology-based companies in Baltimore City. ETC operates out of three facilities in Baltimore City, and is one of the regions more successful incubators. For more information, please see http://www.etcbaltimore.com www.etcbaltimore.com.

Frederick Innovative Technology Center, Inc. (FITCI)
FITCI’s main goal is to foster entrepreneurship in Frederick County and actively contribute to the County’s continued job growth and business stability. By providing entrepreneurial start-up assistance to young companies in a nurturing and supportive environment, FITCI encourages technological innovation and accelerates the development of commercially viable, technology-based businesses. For more information, please see http://www.fitci.org.

Garrett Information Enterprise Center
The Garrett Information Enterprise Center is a technology focused incubator building whose focus is to support the economic growth of Garrett County by creating an environment for facilitating the successful development of information intensive companies. For more information, please see http://www.giecworks.com

Germantown Innovation Center
Part of Montgomery County’s Business Innovation Center, although described as a joint partnership with Montgomery Community College. For more information, please see http://www.montgomerycountymd.gov/dedtmpl.asp?url=/content/ded/incub/gic/index.asp.

Hagerstown Community College’s Technical Innovation Center (Washington County’s Business Incubator at Hagerstown Community College)
Western Maryland’s largest and most comprehensive technology based business incubator. For more information, please see http://www.technicalinnovationcenter.com.

Higher Education and Applied Technology Center
A one-stop technology resource for higher education courses and degrees, technical training and certification, customized corporate training, meeting and conference facilities, videoconferencing and networked computer labs with SGI, Unix, NT and Windows 2000. The center also features a high-performance manufacturing lab, biochemical lab, along with a technology business park (the area’s closest to the Army facilities at Aberdeen Proving Ground) that has flexible office, lab and testing units and areas to build on. For more information, please see http://www.heatcentermaryland.com/.

Neotech Incubator
The NeoTech Incubator, facilitated through the Center for Business and Technology Development, helps entrepreneurs develop into thriving companies and is part of the Howard County Economic Development Authority. For more information, please see http://www.thecenter.biz.
Prince George’s County – Technology Assistance Center

The Prince George’s County Technology Assistance Center (TAC) is an incubator program established to foster the creation and growth of early stage technology companies in Prince George’s County. As an integral part of the Prince George’s County Economic Development Corporation, the TAC promotes economic development by fostering the successful growth of its incubator companies through provision of affordable facilities and a broad range of business and technical services. The TAC encourages and supports high-growth potential technology companies, with a preference for those developing proprietary products and services. For more information, please see http://www.pgcedc.com/tac.

Rockville Innovation Center (RIC)
The RIC provides space and support programs for domestic technology startups, as well as for international technology companies interested in opening their first U.S. office. For more information, please see http://www.rockvilleredi.org/business/incubator.html.

Shady Grove Innovation Center
Formerly known as the Maryland Technology Development Center, the Shady Grove Innovation Center is a project initiated and managed by Montgomery County Department of Economic Development. It was developed, financed and constructed as a joint partnership between the county and the State of Maryland. For more information, please see http://www.mcinnovationnetwork.com/facilitiesandtenants/facilities/shadygrovecic/.

Silver Spring Innovation Center (SSIC)
The SSIC has 20,000 square feet of office and R&D space in a four-story building at the corner of Georgia Avenue and Blair Mill Road. Designed for start-up and early stage information technology businesses, SSIC has over 40 individual offices available in varying sizes and designs. Amenities include a state-of-the-art communications system with a T1 line and three to four data drops in each office, 24-hour access with ample parking, shared office equipment, conference and meeting space, storage space and a loading dock. For more information, please see http://www.montgomerycountymd.gov/mcgtmpl.asp?url=/content/ded/incub/ssi c/index.asp.

Tawes Science/Technology Incubator
The Tawes Incubator is Allegany County’s first incubator for technology-related businesses in a portion of the 40,000 square-foot Tawes Hall. For more information, please see http://alleganyworks.org/abc_cd/ABC/.

TowsonGlobal
TowsonGlobal, the Business Globalization Center, is Towson University’s international incubator for early-stage companies. TowsonGlobal helps bridge the way for entrepreneurial enterprises to find success in the global economy. The Center accomplishes this by providing businesses with a wide range of support needed to flourish in today’s competitive global environment, such as office facilities, business counseling, and workshops. For more information, please see http://www.towsonglobal.com.

Wheaton Business Center (WBIC)

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The WBIC provides office space, conference rooms and support services for approximately 25-30 local small businesses. For more information, please see http://www.mcinnovationnetwork.com/facilitiesandtenants/facilities/wheatonic/.

Incubation Associations
The Maryland Business Incubation Association (MBIA)
The MBIA is an association of business incubator managers dedicated to sharing resources, information, and best practices among the members with the overall goal of promoting business incubation excellence within all Maryland’s incubators. For more information, please see http://www.mdbusinessincubation.org.
The National Business Incubation Association (NBIA)
The NBIA is the world’s leading organization advancing business incubation and entrepreneurship. It provides thousands of professionals with the information, education, advocacy and networking resources to bring excellence to the process of assisting early-stage companies worldwide. For more information, please see http://www.nbia.org.

BUSINESS ENTERPRISE PROGRAMS.
Maryland Minority Business Enterprise Program
The Minority Business Enterprise (MBE) Program is operated by the Governor’s Office of Minority Affairs. The MBE Program is a goal based initiative to achieve a percentage of MBE participation on State issued contracts. The MBE was established to encourage minority and women owned business to participate in the State procurement process.
Maryland agencies are required to structure their procurements to achieve an overall minimum of 25% of the total dollar value of their procurement contracts directly or indirectly from certified MBE firms. Maryland agencies are required to attempt to achieve a minimum of 7% of the total dollar value of their procurement contracts directly or indirectly from certified African-American-owned businesses and 10% of the total dollar value of their procurement contracts directly or indirectly from certified women-owned MBE businesses.
In order to participate in the MBE program, a firm must first obtain certification as a MBE. The Office of Minority Business Enterprise of the Maryland Department of Transportation (MDOT), is uniform certification agency for the State of Maryland, and is the only State agency that has authority to certify a firm as a MBE. Once a company is certified through MDOT, it may participate as a MBE subcontractor on ANY state contract, regardless of the agency.
To be eligible for certification as an MBE firm, a business must be at least 51% owned and controlled by one or more socially and economically disadvantaged individuals. A firm designated as an MBE and will have its name appear in the MBE Internet Directory, a reference document made available to all State departments/agencies, the contracting community and the general public.
MBE certification is designed to expose your company to opportunities on State and local government projects. The names of all certified MBE businesses appear in MDOT’s MBE Directory, which is available online and is widely used by State agencies, local governments, contractors, and the general public. Certification does not guarantee work to any certified firm. Although certification enhances a firm’s exposure to prime contractors and the business community, a certified firm still
must market itself, and its services.
All State agencies are required to use eMaryland Marketplace (eMM) to advertise contract opportunities. In order to receive a contract award, a vendor must be registered on eMM. Maryland’s Department of General Services administers eMM, and the eMM web site can be found at: http://www.eMarylandMarketplace.com. In addition to eMM, State agencies also are encouraged to send notices of procurement opportunities to minority contractor associations and publications. For more information, see also http://www.marylandtransportation.com/

Eligibility Criteria
To be eligible for certification as an MBE firm, a business must be at least 51% owned and controlled by one or more socially and economically disadvantaged individuals, whose net worth does not exceed $1,500,000. Additionally, non-profit firms that are organized to promote the interests of the physically or mentally disabled also are eligible for MBE certification.
An individual is presumed to be socially and economically disadvantaged if that individual is: African-American; Hispanic-American; Asian-American; Native-American; or a woman (Disabled individuals, who are not members of one of the aforementioned groups, may also be eligible if they own and control their business and establish their social and economic disadvantage). A determination of whether an individual meets MBE eligibility criteria is made on a case-by-case basis.
MDOT has a comprehensive certification process to determine the ownership and control of firms that apply for MBE certification. There are several specific eligibility criteria for certification. In determining ownership of a MBE firm, actual investment by the minority owner is important. Control includes both managerial and operational control of the company. Technical knowledge of the firm’s major areas of work is an important component of assessing operational control.
Certification is based on the requirements prescribed for the MBE, including the eligibility criteria set forth above. Applications are reviewed by the MBE Intake Unit to confirm that all required documents have been submitted.
MDOT is also responsible for administrating the U.S. Department of Transportation’s (USDOT) Disadvantaged Business Enterprise (DBE) Program for the State of Maryland. The DBE program provides a vehicle for increasing the participation by certified DBE firms in State and local procurements that are funded with assistance from USDOT. USDAO DBE regulations require State and local transportation agencies to establish goals for the participation of DBE firms on USDOT-assisted procurements. In Maryland, only three administrations participate in the DBE program: State Highway Administration, Maryland Aviation Administration and Maryland Transit Administration.
The eligibility criteria for DBE certification is very similar to that for MBE certification. To be eligible for certification as a DBE, a business must be at least 51% owned and controlled by a socially and economically disadvantaged individual(s). Both the MBE Program and the DBE Program have Personal Net Worth (PNW) eligibility requirements. To qualify as an MBE, the PNW of each socially and economically disadvantaged individual who owns and controls the firm, as a part of the 51% ownership, must not exceed $1,500,000. When an individual’s PNW exceeds the $1,500,000 threshold, the individual is no longer eligible to
participate in the MBE Program. The PNW for each socially and economically disadvantaged individual who owns and controls a DBE firm, as part of the 51% ownership, must not exceed $750,000.00.

Additional information regarding the requirements and certification procedures for the MBE/DBE Programs maybe found in Title 14, Subtitle 3 of the State Finance and Procurement Article of the Maryland Annotated Code, Title 21, Subtitle 11, Chapter 3 of the Code of Maryland Regulations (COMAR), USDOT regulations 49 CFR Parts 23 and 26, and the most current MBE/DBE Program Manual issued by MDOT.

MBE Application Process
Applications for MBE/DBE certification are available online at: http://www.mdot.state.md.us/MBE_Program/Application.html or by calling the MDOT Office of MBE directly at 410-865-1269 or 800-544-6056.

Applications are then forwarded to the Certification Unit and assigned to MBE Officers who conduct interviews at the firms’ offices and perform job site visits if possible. As part of the certification process, applicants may be required to appear before the MBE Advisory Committee (MBEAC) to discuss their businesses and to respond to questions. Appearances before the MBEAC are conducted during public meetings, which may be observed by prospective applicants. The MBEAC makes recommendations to the MBEAC Chairperson, who then issues the certification decision.

A list of documents that must be submitted in support of a certification application, is located at the MDOT website at: http://www.mdot.state.md.us/MBE_Program/DBE.html.

Anne Arundel County Minority Business Enterprise Program
The Office of Central Services is responsible for the operation and maintenance of the County’s MBE Program. The Enterprise Committee of Anne Arundel, an ad hoc committee oversees the implementation and operation of the County MBE Program.

It is the policy of Anne Arundel County to assure all persons seeking to do business with the County, equal opportunity and access to participate in the procurement of all commodities and services. The Minority/Small Business Enterprise Coordinator is an advocate for "equal business opportunity" in procurement and functions on many levels including, but not limited to:

Providing technical assistance to women and minority businesses
Recording statistics on W/MBE utilization
Updating the County’s Minority and Women-Owned Business directory
Providing leadership and direction to the County’s Minority Business Enterprise Committee

Available Contracts:
Purchasing (non-construction) - Contracts with the County for the purchase of goods and services. Construction Contracts (Public Works) - Construction contracts that have a bid amount of $50,000 or more. The goal for minority businesses is 10 percent and 2 percent for women owned business.

Baltimore City Minority Business Enterprise Program
The Minority and Women’s Business Opportunity Office (MWBOO) is responsible for administering the certification of MBEs and Women’s Business Enterprises
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Eligibility Criteria

Minority and women owned businesses that wish to participate in the Public Works MBE program must be certified as provided at one of the following websites http://www.mdot.maryland.gov/MBE_Program/Application.html or http://cityservices.baltimorecity.gov/MWBOO/:

Contractors who wish to bid as general contractors must be pre-qualified through Baltimore County’s Construction Contracts Administration Division should visit here http://www.baltimorecountymd.gov/Agencies/publicworks/contracts/pw_contracts_prequa.html:

Architects, Landscape Architects, Engineers and Land Surveyors who wish to be considered for work with Baltimore County should refer to the Professional Services Selection for prequalification information.

Howard County Minority Business Enterprise Program

Howard County has a goal-oriented equal business opportunity program. For a list of certified MBE, WBE or DBE firms (Minority, Women’s or Disabled Business Enterprises) or specific capabilities see http://www.howardcountymd.gov/servicesbusiness_businessemployment.htm#anchor24395.

Montgomery County Minority Business Outreach Program

The Montgomery County Department of Economic Development conducts programs, sponsors events and engages in various other activities to reach minority businesses. The County has received several awards for assistance to minority firms. Minority Business Enterprise is defined in accordance with the Chapter 11B-58 of the Montgomery County Code and under the State of Maryland’s procurement law. For more information see http://www.montgomerycountymd.gov/dedtmpl.asp?url=/content/DED/mbo.asp.

Prince George’s County Minority Business Enterprise Program

The goal of the Prince George’s County MBE Program is to structure County’s procurement procedures and activities to facilitate and encourage the award of at least thirty percent (30%) of the total dollar value awarded in the County, directly or indirectly, to MBEs.

The County’s MBE Program is comprised of three major components: MBE Procurement Assistance; Business Development; and MBE Certification.

The Prince George’s County Minority Business Development Division (MBDD), located within the Office of Central Services, oversees the County’s MBE Program. MBE certification is designed to provide more exposure to your firm as well as the ability to become a subcontractor. Certification does not, however, guarantee work to any minority firm. All bids and RFPs are competitive. To be successful, a firm must market itself, its personnel and services, as any good business must.

Since 2003, the County has awarded more than $40 million annually to County MBEs.

Eligibility Criteria

Only firms that are at least 51% owned and controlled by individuals who are: African-American; Hispanic-American; Asian-American; or women qualify under the County’s MBE Program.

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If your company is currently an MBE certified by MDOT or the Washington Metropolitan Area Transit Authority (WMATA), the MBDD will make a determination concerning your eligibility as an MBE in Prince George's County. MBEs are required to certify to the MBDD on an annual basis.

[edit] Application Process
To obtain MBE certification in Prince George’s County you must:

a. Complete a Bidder’s List Application, which may be obtained from the County online at the County's website: http://www.co.pg.md.us;
b. Obtain a MBE certification letter from either MDOT or the WMATA;
c. Contact the MBDD and provide the following documentation: (1) A copy of the Bidder’s List Application and (2) Submit a copy of the certification letter from either MDOT or WMATA.
d. MBDD has an “Interim” certification to allow firms that are certified in selected jurisdictions to be included in the County’s MBE Program on a six month basis.

Other Local Business Enterprise Programs and Resources
2. Small, Local Business Enterprise ("SLBE") and Small, Local and Minority Business Enterprise ("SLMBE") Program
These programs support firms located in Prince George's County and Montgomery County, in the State of Maryland, who either maintain their principal place of business in such counties, or have a significant employee presence in such counties. A SLMBE must also be owned by a minority. For more information see http://www.wssscwater.com/home/jsp/content/slmbe-program.faces
3. Washington DC Minority Business Development Center The Washington, DC Minority Business Enterprise Center (DCMBEC) is a business consulting development agency located in the District of Columbia. DCMBEC works to counteract the economic disparity in performance between minority and nonminority companies, and works with minority businesses to improve their performance and profitability. For more information see http://www.dcmbec.org/home.html.

The following criteria are administered when evaluating clients for services through the DCMBEC:
- Firm must be at least 51% owned by an ethnic minority (not gender based)
- Located within Washington D.C.
- A for-profit entity generating, or having the potential to generate, $500,000 or more in annual revenues

OPPORTUNITIES FOR BUSINESS GROWTH
Local Chambers of Commerce
Chambers of Commerce generally are local voluntary alliances, business associations or non-profit organizations providing numerous pro-business services, including networking, information, marketing, advertising, advocacy with state and county government, and growth resources to businesses, government institutions and other organizations, as well as interested individuals. The focus of activities varies from chamber to chamber.

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Maryland Chambers of Commerce (MCC)
The MCC is a statewide alliance of businesses and organizations. Its mission is to maximize opportunities for its members to grow and prosper.
The MCC provides services to small and growing business through its Business Development Council. The Council's mission is to assist small, medium-size and minority-owned businesses to grow and prosper. Council initiatives include:

1. Growing Business, Celebrating Success: This procurement fair and small business awards luncheon is designed to meet the needs of small and minority-owned businesses. The procurement fair provides the opportunity to meet face-to-face with procurement agents with Maryland's largest companies.
2. Small Business of the Year Awards Program: An awards program designed to recognize the dedication, innovation and entrepreneurial spirit displayed by Maryland's small businesses.
3. Networking Events: The Council sponsors events throughout the year to bring business people together to exchange ideas, build a strong list of business contacts and do business.
4. Educational Workshops: The Council sponsors workshops specifically designed to address the business needs of employers with 200 employees or less.

For more information, please visit the MD chamber of commerce at http://www.mdchamber.org

Other local Chambers of Commerce
Alllegany County Chamber of Commerce for more information please visit http://www.alleganycountychamber.com/

Baltimore County Chamber of Commerce for more information please visit http://www.balctcountycc.com/

Baltimore Washington Corridor Chamber of Commerce for more information please visit http://www.baltwashchamber.org/index.php

Berlin Chamber of Commerce for more information please visit http://www.berlinchamber.org/

Calvert County Chamber of Commerce for more information please visit http://www.calvertchamber.org/

Caroline County Chamber of Commerce, Inc. for more information please visit http://www.carolinechamber.org/

Carroll County Chamber of Commerce for more information please visit http://www.carrollcountychamber.org/

Cecil County Chamber of Commerce for more information please visit http://www.cecilchamber.com/

Charles County Chamber of Commerce for more information please visit http://www.charlescountychamber.org/

Crisfield Chamber of Commerce for more information please visit http://www.crisfieldchamber.com/

Dorchester Chamber of Commerce, Inc. for more information please visit http://www.dorchesterchamber.org/

Essex-Middle River-White Marsh Chamber of Commerce for more information please visit http://www.emrchamber.org/

Frederick County Chamber of Commerce for more information please visit

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Gaithersburg-Germantown Chamber of Commerce for more information please visit
http://www.ggchamber.org/
Garrett County Chamber of Commerce for more information please visit
http://www.garrettchamber.com/
Greater Baltimore Committee, Inc. for more information please visit
http://www.gbc.org/
Greater Bethesda-Chevy Chase Chamber of Commerce for more information please visit
http://www.bccchamber.org/
Greater Bowie Chamber of Commerce for more information please visit
http://www.bowiechamber.org/
Greater Crofton Chamber of Commerce for more information please visit
http://www.croftonchamber.com/
Greater Ocean City, Maryland, Chamber of Commerce, Inc. for more information
please visit http://www.oceancity.org/
Greater Prince George's Business Roundtable for more information please visit
http://www.bizroundtable.org/
Greater Severna Park Chamber of Commerce for more information please visit
http://www.severnaparkchamber.com/
Greater Silver Spring Chamber of Commerce for more information please visit
http://www.gsscc.org/
Greater Washington Board of Trade for more information please visit
http://www.bot.org/
Hagerstown Washington County Chamber of Commerce for more information
please visit http://www.hagerstown.org/
Hancock Chamber of Commerce for more information please visit
http://www.hancockmd.com/
Harford County Chamber of Commerce for more information please visit
http://www.harfordchamber.org/
Havre De Grace Chamber of Commerce for more information please visit
http://www.hdgchamber.com/
Howard County Chamber of Commerce for more information please visit
http://www.howardchamber.com/
Kent County Chamber of Commerce for more information please visit
http://www.kentchamber.org/home.aspx
Maryland Hispanic Chamber of Commerce for more information please visit
http://mdhcc.org/
Mid-Atlantic Hispanic Chamber of Commerce, Inc. for more information please visit
http://www.mahcc.org/
Montgomery County Chamber for more information please visit
http://www.montgomerycountychamber.com/
The New Baltimore City Chamber of Commerce for more information please visit
http://www.baltimorecitychamber.org/
Northern Anne Arundel County Chamber of Commerce for more information please
visit http://www.naacc.org/
Ocean Pines Area Chamber of Commerce for more information please visit

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http://www.oceanpineschamber.org/
Olney Chamber of Commerce for more information please visit
http://www.olneymd.org/
Pikesville Chamber of Commerce for more information please visit
http://www.pikesvillechamber.org/
Pocomoke City Chamber of Commerce for more information please visit
https://www.pocomoke.com/Home_Page.html
Prince George’s Black Chamber of Commerce, Inc. for more information please visit
http://www.pgbblackchamber.org/
Prince George’s Chamber of Commerce for more information please visit
http://www.pgcoc.org/
Prince George's County Hispanic Chamber of Commerce for more information
please visit http://www.mahcc.org/
Queen Anne’s County Chamber of Commerce for more information please visit
http://www.qacchamber.com/
Salisbury Area Chamber of Commerce for more information please visit
http://www.salisburyarea.com/
Southern Anne Arundel Chamber of Commerce for more information please visit
http://www.southcounty.org/
St. Mary’s County Chamber of Commerce for more information please visit
http://www.smccchamber.com/
Talbot County Chamber of Commerce for more information please visit
http://www.talbotchamber.org/
Towson Chamber of Commerce, Inc. for more information please visit
http://www.towsonchamber.com/
West Anne Arundel County Chamber of Commerce for more information please visit
Wheaton & Kensington Chamber of Commerce for more information please visit
http://www.wkchamber.org/
Maryland Technology Development Corporation (TEDCO)

General
TEDCO is a corporation created by the Maryland State legislature in 1998, instituted
as “a public instrumentality of the State”. Its main purpose is to facilitate the
creation of businesses and foster their growth in all regions of the State through the
commercialization of technology. TEDCO endeavors to be Maryland’s leading source
of funding for technology transfer and development programs and entrepreneurial
business assistance.

Programs
Funding Opportunities
i. Joint Technology Transfer Initiative (JTTI)
The Maryland Technology Development Corporation (TEDCO) has contracted with
the Department of Homeland Security (DHS) and the U.S. Army Medical Research
and Materiel Command (USAMRMC) to facilitate transfer of technology. Technology
development projects will be considered within the scope of the JTTI if the company
can show how the proposed technology will meet the needs of DHS and/or
USAMRMC (Spin-In) and/or the commercialization of DHS or USAMRMC

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technologies (Spin-Out). Funding for the JTTI is provided by Congress.
Highlights: • Maximum awards of $75,000 in support of technology development • Emphasis is on the development of technologies to meet the needs of both the DHS and USAMRMC • Open submission (no deadline) • Sixty day review cycle
For additional information contact: Ronald Kaese Director, Federal Programs 410-715-4170 E-mail: rkaese@marylandtedco.org Website: http://www.marylandtedco.org/publications/JTTI.cfm#

ii. Johnson & Johnson Joint Investment Program
The joint TEDCO-J&J seed stage investment program is a component of the Maryland Technology Transfer Fund (MTTF) -- a seed stage fund for companies working with either one of the federal laboratories or universities in the state of Maryland. The joint program provides J&J with valuable insight into the most promising technologies being licensed to the private sector by the universities and federal labs in Maryland. The funding and subsequent development of technology has provided pipeline product opportunities for J&J. In addition, the funding has provided TEDCO portfolio companies with valuable commercial insight, and the funding has helped build sustainable companies that meet J & Js requirement for eventual equity investment through its venture capital group (JJDC). Finally it provides TEDCO portfolio companies a conduit for licensing of products and technologies to one of J&Js operating companies.

Program Eligibility Criteria:
There are three tracks for companies to apply to the joint program. Companies that are new to TEDCO apply under Track 1. Applicants must meet the MTTF eligibility criteria and need only apply for MTTF funding with a budget up to the MTTF award limit (currently $75,000). Johnson & Johnson through COSAT participates in review of the MTTF proposals unless the applicant opts out of the joint review. If the MTTF review team recommends funding of these proposals, J&J has the right to designate a specific amount of funding for MTTF awardees from its designated award pool. J&J may contribute up to 50% of a first MTTF award, with TEDCO making up the balance.
TEDCO portfolio companies can apply under Track 2 and Track 3. Applicants must have received an award under one of TEDCO’s existing seed stage funding programs and successfully completed such a project. To apply for funding under the joint TEDCO-J&J program Track 2, a portfolio company submits a concept paper to determine whether there is interest by COSAT. Concept papers may be submitted by TEDCO portfolio companies at https://www.injcosat.com/tedco.aspx.
Under Track 3 a portfolio company can apply for MTTF II funding after receipt of an invitation from a TEDCO review committee member up to the award limit of $75,000 but an angel investor must provide at least a 1:1 match of the TEDCO funds. For additional information, please see: http://www.marylandtedco.org/JJ.cfm

iii. TechStart Program
The TechStart Program will fund university-based or federal lab-based teams to determine whether specific technologies would have the potential to be commercialized through a startup company. A university or entrepreneur submits a proposal to TEDCO for evaluating the opportunity. An award would defray costs of evaluating the feasibility of the startup opportunity. Proposals are capped at
$15,000 per technology.

Eligible Applicants:
All universities or entrepreneurs working with federal laboratories in the State are eligible for TechStart funding. To be eligible, a university or entrepreneur is required to assemble a team consisting, at a minimum, of the following: • An experienced entrepreneur who can provide business guidance for the team as they pursue the due diligence process. • An inventor or inventor team willing to assist in evaluating the feasibility of a startup and willing to collaborate with a startup, if one is formed; and • A technology transfer manager.

For additional information, please contact Linda Saffer, Program Manager, University Programs, 410-715-4175 lsaffer@marylandtedco.org
Website: http://www.marylandtedco.org/TechStart.cfm

iv. University Technology Development Fund (UTDF)
The goal of the Maryland Technology Development Corporation’s (TEDCO) University Technology Development Fund (UTDF) is to provide resources to Maryland universities to support pre-commercial research on university intellectual property to increase the likelihood of commercializing that intellectual property. The program helps universities to license early stage technologies more effectively and serves as a source of technology development projects for Maryland companies that are eligible for additional TEDCO and other State financing programs.

Eligible Institutions:
All institutions of higher education in Maryland are eligible for UTDF grants. Institutions that operate offices of technology transfer have the infrastructure to participate effectively in the program and to manage intellectual property developed with UTDF funding. TEDCO can assist other institutions in establishing technology transfer infrastructure.

For more information on this program please contact Linda Saffer, Ph.D., Program Manager, University Programs, at 410-715-4175 or lsaffer@marylandtedco.org.
Also, please see: http://www.marylandtedco.org/tedcoprograms/utdf.cfm

v. The Working Capital Loan Fund
The Working Capital Loan Fund has been established by TEDCO to provide loans to early-stage technology-oriented companies located in the State of Maryland. Low interest loans of between $15,000 and $50,000 are available to qualified applicants to be used for working capital in order to assist a company with expansion, market entry, or product launch. Companies must be beyond the research stage as these loans cannot be used for research and development.

Terms and Fees: • Rates are at or below market rate. • A nonrefundable application fee of $150 is due at the time of application submittal. • Loan term is normally 3 to 5 years with a minimum term of 6 months. • Personal guarantees by all principals in the company satisfactory to TEDCO as well as liens on company assets are required. • Companies are required to submit a letter of support from a local economic development official, an SBDC representative, an incubator manager, or a professional consultant. • An administrative fee of .5% is required at the time of closing.

vi. Maryland Technology Transfer and Commercialization Fund (MTTCF)
The goal of the MTTCF is to provide funding for Maryland companies who wish to

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develop technology-based products and/or services in collaboration with the Universities and/or Federal Laboratories in Maryland. To be eligible for the program, a company must be collaborating with a Federal Laboratory or university in Maryland or be located or be an affiliate of an incubator company in the state. In addition the company applying must meet the following criteria: fewer than 16 employees OR the company is a university spin-off in business less than 5 years AND Pre-revenue OR venture investments under $500K. If the company is in an incubator or an affiliate, contact your incubator manager now. Additionally, companies must have more than 50% of their employees present in the state of Maryland.

Program Benefits:
• Funds up to $75,000 are available to defray a company’s direct cost of developing early stage technology. • Program may be used to perform early stage feasibility testing on technology-based products/services to assist in obtaining financing for further development. • No repayment is required unless and until the company receives revenue from sales. • Repayment is capped at 2X the original award at the end of five years. A company can repay early at the multiple current for the year in which buyout occurs.

For additional information, please contact Henry Ahn, 410-715-4165, hahn@marylandtedco.org. Website: http://www.marylandtedco.org/tedcoprograms/mttf.cfm

Business Assistance
i. The Maryland Rural Business Innovation Initiative (RBI2)

The RBI2 is designed to enhance commercialization activities and provide technical and business assistance to small technology-based companies in the rural areas of Maryland, as defined by the Rural Maryland Council. Assistance to companies is provided by the Maryland Technology Development Corporation (TEDCO), through their local RBI2 representatives. Each region has a local RBI2 Business Mentor whose job is to evaluate potential clients, and to provide resources, consulting services, and technical management assistance.

Activities: The RBI2 Initiative will achieve its goals through:
Providing general business assistance in:
Technology commercialization strategy
Intellectual property strategy
Market channels
Financing options
Building a management team
SBIR and STTR proposal writing assistance
Organizational structure
Human Resource issues
New market opportunities
Providing technical assistance in:
Prototype design
Manufacturing Assistance
Energy Assessments
Identifying funding opportunities
Identifying companies seeking technologies to commercialize and facilitate

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collaborations with federal laboratories and universities in Maryland.
For more information, please see:
http://www.marylandtedco.org/tedcoprograms/rbi.cfm

Federal Lab Opportunities
i. NASA Technology Opportunities
TEDCO can help identify NASA-sponsored research, technology, technical expertise and R&D capabilities that match the needs and interests of your business. TEDCO assists Maryland businesses to improve their competitiveness by providing free technical assistance and information to help resolve specific technical questions or needs that can be addressed within a limited amount of time. This is routinely done on a confidential basis. Also, TEDCO funding programs can help you develop NASA technology.
TEDCO provides Maryland companies with information about these “technology opportunities” and how to pursue them within NASA. NASA is also seeking industrial partners to pursue joint research and development projects that have potential application to both NASA missions and the commercial market. TEDCO serves as a point of contact for businesses seeking information about NASA technologies. TEDCO will work with you to understand your specific opportunity, question, or need. We will then provide assistance through our own expertise, the knowledge base of NASA, and other partners within the TEDCO family. After providing the assistance, we may send you a brief evaluation survey to determine your satisfaction and the economic impact of our assistance.
Contact: Ronald Kaese, 410-715-4170 or rkaese@marylandtedco.org Website:
http://www.marylandtedco.org/tedcoprograms/nasa.cfm

Business Incubation
The Incubator Development Fund program provides funding for capital expenditures in the development of new and the renovation of existing technology incubators in the state. To date, the new facilities supported by this fund include the ETC@Johns Hopkins Eastern, the Silver Spring Innovation Center, the Rockville Innovation Center, the Frederick Innovative Technology Center@Hood, the Frederick Innovative Technology Center@Monocacy, the techcenter@UMBC, the Technical Innovation Center, the Prince George’s County Technology Assistance Center, the UM-B BioInnovation Center and the Germantown Innovation Center.
Funding Resources:
To assist in determining whether or not to start or expand an incubator, TEDCO offers the Feasibility Study Grant program. This grant provides funding to a government, government-related or university-related organization to engage an outside consultant to research and write a feasibility study. For further information, contact John Wasilisin at jwasilisin@marylandtedco.org or 410-715-4167.
Website: http://www.marylandtedco.org/tedcoprograms/businessincubation.cfm

The Greater Baltimore Technology Council
The Greater Baltimore Technology Council facilitates business networking in Baltimore and the surrounding areas. This is accomplished through programs and events that give business owners the opportunity to meet face-to-face as well as to access online information through Facebook, Twitter, LinkedIn, YouTube, Flickr, and blogs. http://www.gbtechcouncil.org/.

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Membership
There are three types of memberships available: technology memberships, partner memberships, and education/non-profit/government memberships. https://www.gbtechcouncil.org/Get-Involved/Joining-and-Cost.aspx

a. Technology memberships. A Technology Company is defined as a company that generates or intends to generate at least 50% of its revenues from the research, development, manufacturing or sale of technology products including software, hardware, telecommunications and Internet technology; or a biotechnology company that generates or intends to generate at least 50% of its revenues from the development or sale of biotechnology products or biotechnology research.

b. Partner memberships. Partner members are defined as companies and organizations that provide support services to the technology industry. These services/organizations include, but are not limited to: accounting, financial institutions, benefits, employment services, legal, office equipment/supplies, venture capital, printers, real estate, hospitality, training, business consultants, and marketing/public relations. The annual investment for technology members and for partner members depends on the company’s number of full-time employees in the State of Maryland. The joining costs depend on the investment level: https://www.gbtechcouncil.org/Get-Involved/Joining-and-Cost.aspx

c. Education, non-profit or government membership. To join as an education, nonprofit, or government member, your organization must be either: • An educational institution that provides a degree program or continuing education classes in computer science, information technology, Web design, telecommunications, or biotechnology. • A nonprofit organization whose mission affects or is affected by technology or education. • A state, local or federal government institution that takes a proactive role in technology development; or serves as a proponent of technology growth in the Greater Baltimore region.

A membership application can be downloaded here: https://www.gbtechcouncil.org/Get-Involved/Membership-Application.aspx

Costs
The annual investment for technology members and for partner members depends on the company’s number of full-time employees in the State of Maryland. The joining costs depend on the investment level: https://www.gbtechcouncil.org/Get-Involved/Joining-and-Cost.aspx

All education, nonprofit, and government members pay a set annual fee of $800.

Connect
Website contacts: https://www.gbtechcouncil.org/Connect-With-Us/Contact-Us.aspx

Facebook: http://www.facebook.com/gbtechcouncil
twitter: http://twitter.com/gbtc
Flickr: http://www.flickr.com/photos/gbtc/
LinkedIn:
http://www.linkedin.com/groups?gid=38393&sharedKey=7D0AA0F4D73F
YouTube: http://www.youtube.com/GBTechCouncil

Tech Council Of Maryland
The Tech Council of Maryland (TCM) is Maryland’s largest technology trade
association, which brings its members access to technology industry leaders in Maryland, DC and Virginia. TCM has two divisions, which provide valuable resources and benefits to help businesses succeed. MdTech serves the advanced technology community and MdBio serves the Maryland biotechnology community.
http://techcouncilmd.com/
TCM helps the region’s technology organizations grow through its membership and activities such as networking events, cost saving programs, and advocacy initiatives. TCM’s mission is to promote the technology industry and to create an environment where technology companies can collaborate, grow and succeed.
Benefits
Committees That Get You Involved. TCM provides a forum that promotes leadership, innovation, collaboration and information sharing among technology professionals with in the technology industry. This is a free benefit to all employees in TCM members companies.
Public Policy. TCM offers its members direct access to the political process with a full-time Government Relations staff that provides your business with a strong voice that will be heard by policymakers at the state, local and federal levels.
Face to Face Networking. Reach over 5,000 attendees every year at more than 40 unique networking events that provide tightly focused agendas that allow you to make real connections.
Marketwire. TCM members receive 15% discount on Markettwires’s standard published rates for all domestic distribution options, 10% on all international distribution options.
Cost Savings Programs. Save money by participating in one or more of our special programs designed for members to pay less on products and services their business needs to thrive in such a competitive marketplace.
Member Directory. TCM publishes an annual Member Directory that provides concise and comprehensive listings of the council’s over 500 member companies.
Sponsorship Opportunities. TCM offers members numerous sponsorship levels that are designed for any size company. Make connections and be noticed by the largest tech audience in the industry at any of TCM events.
Tech Exchange Newsletter. The Tech Exchange is a weekly email newsletter offering the latest news within the industry, member highlights and events at the Tech Council of Maryland.
TCM’s Web site offers TCM members the latest industry news, a directory of more than 600 industry professionals, and an up-to-the-minute event calendar - http://www.techcouncilmd.com.
Membership
Tech Council of Maryland (TCM) membership dues are based on total employment for the company within Maryland, Virginia and the District of Columbia. All TCM memberships are corporate; individual memberships are not available.
Online application and mail-in form: https://techcouncilmd.com/membership/join_tcm.php
Contact: http://www.techcouncilmd.com/about_tcm/contact_us.php
Small Business Resource Centers
The Small Business Resource Center provides a wealth of information on-site about

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many subjects that affect small businesses, from planning and financing to marketing and insurance. The Center has a large business library, plus PC-based internet access to magazines and newspapers nationwide, for research on a variety of business topics. There are videos and cassettes as well as literature and self-help guides covering a variety of topics, including how to start your own business, preparing a business plan, getting credit, business taxes and regulatory responsibilities, and networking.

Directions & Contact: http://www.sbrcbaltimore.com/html/general/contact.shtml

Resources

In addition to the MSBDC and the Baltimore District Office of the SBA, the Center provides information and links to:

SAFF- Strategic Assistance Consulting Fund “this new initiative is designed to provide expert private – sector-consulting services to small, minority and microenterprise business. Booth Management Consulting, LLC will administer the strategic Assistance Consulting Fund to build upon the basic services currently offered through the Maryland Small Business Development Center, (SBDC) network to qualifying clients and provide more advanced and specialized consulting services.” For more information about SAFF call 410.625.1297. SCORE- Counselors To America’s Small Business - What is SCORE? Score, the Services Corps of Retired Executives, is a 13,000-member volunteer association sponsored by the U.S. Small Business Administration. Since 1964, the association has matched volunteer business management counselors with clients in need of expert advice. SCORE has experts in virtually every area of business management and maintains a national skills roster to help identify the best counselor for a particular client. Through indepth counseling and training, SCORE volunteers help prospective and established small business owners and managers identify problems, determine the cause and find solutions.

To locate the Score office nearest you, call (800) 634-0245.

DEVCORP - Consulting Corporation - The City of Baltimore Local Contractor Development Program (BLCDP) is managed by DevCorp consulting Corporation. DevCorp is the industry leader in achieving small contractor participation in public and private construction projects. The program provides surety bonds and contract financing, detailed technical and business assessments of participating contractors, contractor improvement work plans and road mapping for contractor development. DevCorp currently targets Department of Public Works, Department of Recreation and Parks, Department of Housing and Community Development and the Office of Transportation. Visit their web site at www.devcorp.com.

EBMC & BEC - Empower Baltimore Management Corporation and the Business Empowerment Center is a non-profit organization. EBMC moves toward the fourcore area of Baltimore’s strategy: Job Creation, Workforce Development, Improving the Quality of Life and Community Capacity Building. The Business Empowerment Center (BEC) this office is staffed with experienced professional from banking. EBMC will assist you in finding the right site for your business using their own computer mapping system, commercial realtors, and the Baltimore Development Corporation. For further information visit www.empowerbaltimore.org.

MOED - The Mayor’s Office of Employment Development - helps area businesses

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hire well-qualified workers and upgrade and enhance their employees’ skills. Employ Baltimore, MOED’s business services arm, can assist your business with customized workforce solutions including outreach and recruitment, applicant prescreening, assessment and testing services, tax credit information, training assistance programs and human resources support. For more information or assistance, please call 410-396-3193 or visit www.oedworks.com.

Maryland Small Business Development Centers (MDSBDCs)
The MDSBDC network provides advice, counseling and support to entrepreneurs and small to mid-size businesses across the state. The network, a partnership between the U.S. Small Business Administration and the University of Maryland College Park, links private enterprise, government, higher education and local economic development organizations to provide management, training and technical assistance to Maryland’s small businesses. As part of a national SBDC Network, the MDSBDC has rapid access to a number of information resources to deliver assistance to small businesses. The MDSBDC network is divided into six regions across the state. For more information, please visit http://www.mdsbdc.umd.edu/

Many educational references are available in local MDSBDC resource libraries. MDSBDC clients are free to come in and browse materials anytime during regular office hours, or use computers to do online research. Each MDSBDC library contains books, journals and electronic media on a variety of topics including: loans, franchising, startup, marketing, management, statistical data, Strategic planning, business planning, and more. Note: Not all MDSBDC’s have a resource library. The MDSBDC offers workshops and additional assistance on preparing the application for submission for certification for various state and federal programs, including the Minority Disadvantaged 8(a) certification for the Small Business Administration (SBA) program created to help small disadvantaged businesses compete in the American economy and access the federal procurement market, and the Minority Business Enterprise (MBE) certification for the Maryland Department of Transportation (MDOT).

Western Maryland: serving Garrett, Allegany, Washington, and Frederick County for more information please visit http://www.sbdc-wmd.com
Central Region: Serving Baltimore, Baltimore City, Howard and Anne Arundel County for more information please visit http://www.centralmdsbdc.org
Northern Region: Serving Carroll, Harford, and Cecil County for more information please visit http://www.harford.edu/sbdc
Capital Region: Serving Montgomery and Prince George’s County for more information please visithttp://www.capitalregionsbdc.umd.edu/
Southern Region: Serving Charles, Calvert and St. Mary’s County for more information please visithttp://www.sbdchelp.com
Eastern Region: Serving Kent, Queen Anne’s, Caroline, Talbot, Dorchester, Wicomico, Somerset and Worcester County, for more information please visit http://www.salisbury.edu/sbdc

Counseling
There are the following types of counseling available:
(1) One-on-One Counseling. One-on-one counseling is offered to prospective and

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existing small business owners. Many counselors are former bankers, accountants or business owners who work with clients to provide personalized and confidential counseling at no cost to the client. Some of the areas of concentration include: Business Plan Development, Business Structuring, Market Planning, Research Market Development, Financial Analysis, Control, Accounting Systems, Business Valuation, Management Techniques, Debt and Equity Funding Opportunities, Cash Flow Analysis and Financial Projections, and Management Information System Development.

(2) Group Counseling. A number of specialized group counseling sessions are offered to assist clients in a specific area of need, allowing participants to benefit from the experiences of others while providing them with the opportunity to network and learn in an open-ended environment. Some specialty group counseling sessions include: Business Plan Writing, Financing, Personal Readiness, Procurement, and Credit Repair.

(3) Procurement/Contract Counseling. The MDSBDC provides specialized procurement counseling services through its Procurement Technical Assistance Program (PTAP). This program, funded by the Defense Logistics Agency and Maryland Department of Business and Economic Development, assists clients to identify, obtain, and perform successfully on federal, state, and local government contracts.

(4) High Technology Counseling. Individual counseling and small group workshops, conducted by trained technology counselors, are provided to guide clients through the preparation of various types of plans. The management assessments are designed to improve performance and support growth and taking advantage of federal and state government support programs.

(5) Retail/Restaurant Counseling. Individual and small group counseling is available to assist clients with the unique aspects of starting, managing, and maintaining a retail or restaurant operation, including assessing feasibility, assisting with store layout, establishing and maintaining good vendor relationships, marketing, inventory management and more.

Training
Virtual Classroom. A comprehensive online training program which is available at no cost. This program is designed to provide information and guidance to entrepreneurs in various stages of growth.

Regional Training. Training programs are offered in the evening for a minimal fee and are taught by skilled professionals. Sessions range in length from two hours to several weeks.

Resources
Financing
The MDSBDC can assist its clients in identifying and securing the appropriate source of funds for business ventures. Funding sources include:

a. Small Office Home Office Loan (SOHO) - A new marketing initiative under SBA's Community Express and SBA Express loan guarantee programs. This initiative combines financial and technical assistance to enable small and home-based business owners to access business loans instead of consumer loans. Qualified businesses can obtain as little as $5,000 with a liberal repayment policy, no collateral, and technical assistance through the MDSBDC.

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b. Micro loans - Micro loans are smaller loans, made to eligible borrowers in amounts that range from $100 to a maximum of $25,000. The lending criteria for a micro loan may not be as stringent as those established by commercial lending sources. Loan proceeds can be used for working capital; equipment; furniture and fixtures; inventory; and leasehold improvements. The proceeds cannot be used to refinance existing debts.
c. Commercial Bank Loans - MDSBDC can assist with determining the appropriate lending vehicle for a particular venture, ensuring that loan application packages are complete, and initiating communications with lenders.
d. Accounts Receivable Financing/Factoring - Factoring is the selling of a company's accounts receivable, at a discount, to a factoring agency, which then assumes the credit risk of the account debtors and receives payment as the debtors settle their accounts. Factoring can provide a quick turnaround and convenient funding to growing companies who need capital to expand their business. Factoring is not a loan. There is no debt repayment, and long-term agreements are not necessary. For their services, Factoring agents are paid a fee, which is typically based on a percentage of to accounts receivable.
e. SBA Loans

(i) 7(a) Loan Program. The 7(a) Loan Guaranty Program is one of SBA's primary lending programs. It provides loans to small businesses unable to secure financing on reasonable terms through normal lending channels. The program operates through private-sector lenders that provide loans which are, in turn, guaranteed by the SBA -- the Agency has no funds for direct lending or grants.

(ii) Community Express. Community Express is a pilot SBA loan program that was developed in collaboration with the National Community Reinvestment Coalition (NCRC) and its member organizations. Under the pilot, which is available to selected lenders, an SBA Express-like program will be offered to pre-designated geographic areas serving mostly New Markets small businesses. The program will also include technical and management assistance, which is designed to help increase the loan applicant’s chances of success.

(iii) CAPLines. The CAPLine is the umbrella program under which the SBA helps small businesses meet their short-term and cyclical working-capital needs. A CAPLines loan can be for any dollar amount (except for the Small Asset-Based Line described below). There are five short-term working-capital loan programs for small businesses under the CAPLines umbrella:

(A) SEASONAL LINE: These are advances against anticipated inventory and accounts receivable help during peak seasons when businesses experience seasonal sales fluctuations. Can be revolving or non-revolving.

(B) CONTRACT LINE: Finances the direct labor and material cost associated with performing assignable contract(s). Can be revolving or non-revolving.

(C) BUILDERS LINE: If you are a small general contractor or builder constructing or renovating commercial or residential buildings, this can finance direct labor-and material costs. The building project serves as the collateral, and loans can be revolving or non-revolving.

(D) STANDARD ASSET-BASED LINE: This is an asset-based revolving line of credit for businesses unable to meet credit standards associated with long-term credit. It
provides financing for cyclical growth, recurring and/or short-term needs. Repayment comes from converting short-term assets into cash, which is remitted to the lender. Businesses continually draw from this line of credit, based on existing assets, and repay as their cash cycle dictates. This line generally is used by businesses that provide credit to other businesses. Because these loans require continual servicing and monitoring of collateral, additional fees may be charged by the lender.

(D) SMALL ASSET-BASED LINE: This is an asset-based revolving line of credit of up to $200,000. It operates like a standard asset-based line except that some of the stricter servicing requirements are waived, providing the business can consistently show repayment ability from cash flow for the full amount.

(iv) LowDoc. The SBA LowDoc is a streamlined loan program which seeks to ensure a faster turnaround for businesses in need of financing. The maximum loan is $150,000, and calls for a response from the SBA within 36 hours of receiving a complete application.

(v) The Export Working Capital Program (EWCP). The SBA’s Export Working Capital Program (EWCP) supports export financing to small businesses when that financing is not otherwise available on reasonable terms. The program encourages lenders to offer export working capital loans by guaranteeing repayment of up to $1 million or 90 percent of a loan amount, whichever is less. A loan can support a single transaction or multiple sales on a revolving basis. Designed to provide short-term working capital to exporters, the EWCP is a combined effort of the SBA and the Export-Import Bank of the United States. The two agencies have joined their working capital programs to offer a unified approach to the government’s support of export financing. The EWCP uses a one-page application form and streamlined documentation with turnaround usually 10 days or less. A letter of prequalification is also available from the SBA.

f. Venture Capital - Venture capital organizations can help with starting or expanding a business. Financing through a venture capitalist is different from borrowing from a lender because, instead of earning interest, they take an equity stake (part ownership) in the business, and it might be substantial. The advantage of equity financing is that this infusion of capital does not have to be repaid like a loan. The venture capitalist earns a profit through dividends paid to shareholders of the company and through appreciation in the value of the stock of the company. As a condition of investing funds in a business, venture capitalists often have the right to review management decisions and, in some cases appoint their own managers to oversee certain aspects of the business. While the entrepreneur typically retains day-to-day management control of the company, the venture capitalist has some control over the strategic direction of the business.

g. Loan Packaging - The MDSBDC’s team of loan consultants provides lending guidance and loan packaging services at little or no cost. This specific area of consultation includes assistance with financial projections, the statement of sources and uses of funds, the business plan, and the determination of appropriate sources of financing. The MDSBDC works closely with area banks; assists viable clients with business plans and applications process.

Women Only Activate Program
Activate Program

The Activate Program is a year long program sponsored by UMBC to train women with substantial technical or business experience and to help create start-up technology companies from inventions from Maryland research institutions and federal agencies.

The Program is comprised of three phases. The first phase is developed to assist participants in conducting an opportunity analysis whereby two person teams are formed to review and analyze the viability of potential business opportunities. Those teams with the best presentation to a review committee of their opportunity will advance to the second phase. The second phase assists the teams in creating a developed business plan, along with additional team members to be presented to the review committee for consideration. The final phase is to assist those finalists with the best presentation from the second phase and assist them in commercializing and marketing their business plan.

To participate women with business or technical experience need to apply to the class. For more information on the program, please visit http://www.umbc.edu/activate

National Association of Women Business Owners

National Association of Women Business Owners (“NAWBO”) is a national organization with several local chapters that is intended to provide additional resources to assist women business owners in obtaining greater economic, social and political success.

NAWBO events include both general networking, speakers’ series and other educational seminars. There are annual conferences, online communities and directors, leadership development and other membership discounts and benefits. There are various levels of membership;

(i) At-Large Member (Voting Member) Business and residence are located outside of a local chapter’s organization territory (45 mile radius)

(ii) Individual, partner or stockholder who exercises the power to make policy decisions and is actively involved in the day-to-day management of the firm Files a schedule C or F, receives IRS Tax Form 1099 from client(s), or files corporate or partnership tax returns Maintains an office (including home offices) or a business facility

(iii) Established Business Owner (Voting Member) Owns an equity interest and actively participates in a business as a sole proprietor, an active partner of a partnership or active member of a limited liability company, an independent contractor, or a 5% or greater shareholder in a corporation Files a schedule C or F, receives IRS Tax Form 1099 from client(s), or files corporate or partnership tax returns Maintains an office (including home offices) or a business facility Is involved in the policy-making process and overall day-to-day management of the business Has been a business owner for more than two (2) years

Emerging Business Owner (Non-Voting Member) - A first time business owner with a new business less than two (2) years old, or who has not yet started her business

(iv) Sustaining Member (Voting Member) Owns an equity interest and actively participates in a business as a sole proprietor, an active partner of a partnership or active member of a limited liability company, an independent contractor, or a 5% or
greater shareholder in a corporation Files a schedule C or F, receives IRS Tax Form 1099 from client(s), or files corporate or partnership tax return Maintains an office (including home offices) or a business facility Is involved in the policy-making process and overall day-to-day management of the business Has been a business owner for more than two (2) years Wishes to support the organization in a larger monetary way (v) Supporting Member (Non-Voting Member) A non-business owner who subscribes to the objectives of NAWBO and wish to lend support to NAWBO through membership (vi) Student Member (Non-Voting Member) An individual who is registered full time at a school or university who subscribes to the objectives of NAWBO and intends to start a business Proof of full-time student status is required Membership Dues range depending upon the category of member, with local chapter dues for the Baltimore Region of $90 and national dues between $150 and $350 annually. Renewals of membership are frequently discounted. For more information on the local Baltimore Region Chapter, please contact: NAWBO Baltimore Regional Chapter 2400 Boston Street Suite 102 Baltimore, MD 21224 Voice: 410-876-0502 Fax: 410-522-5889 L. Content McLaughlin, President Email: info@nawbobrc.org Business Schools Loyola College in Maryland The Sellinger School of Business and Management Baltimore, Maryland http://www.loyola.edu/sellinger Morgan State University School of Business and Management Baltimore, Maryland http://www.morgan.edu/School_of_Business_and_Management.html Salisbury University Perdue School of Business Salisbury, Maryland http://www.salisbury.edu/perdue/ Towson University College of Business and Economics Towson, Maryland http://wwwnew.towson.edu/cbe/ University of Baltimore Merrick School of Business Baltimore, Maryland http://www.ubalt.edu/template.cfm?page=1440 University of Maryland Robert H. Smith School of Business College Park, Maryland http://www.rhsmith.umd.edu/ Johns Hopkins University Carey Business School Baltimore, Maryland http://carey.jhu.edu/ Speaker Series need to complete TAX CREDIT INCENTIVE PROGRAMS Enterprise Zones Maryland Department of Business and Economic Development has an enterprise zone tax incentive program. Eligible businesses that locate or expand their operations in designated Enterprise Zones or create new jobs in Enterprise Zones may receive various State income or real estate tax credits. For more information see http://www.choosemaryland.org/businessresources/pages/enterprisezones.aspx. To qualify: (1) The business must apply to the local zone administration for certification. (2) The qualified employee must have been hired after the business is located in the Enterprise Zone or after the Enterprise Zone is designated as such; work for at least

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35 hours per week for 6 months, earn at least 150% of the federal minimum wage and, spend at least 50% of the workday either in the enterprise zone or on activities of the business resulting from its location in the enterprise zone or focus area; is hired after the date the enterprise zone was created or the date the business is located in the enterprise zone or focus area, which ever is later; and is hired to a new position.

(3) If the employee is economically disadvantaged, the business must also obtain certification of eligibility for the credit from the Maryland Department of Labor, Licensing and Regulation. The tax credits are based on the wages during the tax year to each qualified employee.

Empowerment Zones (federal)
Maryland Department of Business and Economic Development Division of Business Development, Tax Incentives Group has an Empowerment Zone tax incentive. A federal Empowerment Zone, one of only six in the nation, encompasses 6.8 square miles in three separate locations of Baltimore City, two of which are zoned for heavy industrial use. For more information, please see http://www.hud.gov/offices/cpd/economicdevelopment/programs/rc/index.cfm.

One Maryland Economic Development Real Property Tax Credit
Businesses that establish or expand a business facility in a priority funding area or as part of a Maryland Board of Public Works projects and are located in certain “distressed” Maryland counties, may be entitled to tax credits related to new or expanded facilities. The credits may be applied against corporate income tax, personal income tax or insurance premiums tax, but may not be applied to more than one type. For more information, please see http://business.marylandtaxes.com/taxinfo/taxcredit/onemd/default.asp.

Eligibility.
(1) Businesses that establish or expand a business facility in a priority funding area or as part of a project approved by the Board of Public Works, and that are located in a “distressed” Maryland county, may be entitled to a tax credit for costs related to the new or expanded facility. A “distressed” county has, for the most recent 24-month period, an average rate of unemployment that is 150 percent higher than the statewide average or an average per-capita personal income that is equal to or less than 67 percent of the statewide average, and includes a county (including Baltimore City) that no longer meets one of these requirements, but did so at some time during the preceding 12-months.

(2) Businesses are required to notify the Maryland Department of Business and Economic Development of its intent to seek certification before either new employees are hired to fill qualified new positions or eligible costs are incurred.

(3) In order to qualify the business must create at least 25 positions at the new or expanded business facility over a two year period that are:
   (a) Full-time.
   (b) Of indefinite duration.
   (c) Paid at least 150 percent of the federal minimum wage.
   (d) Located in a qualified distressed county in Maryland.
   (e) Filled.

(4) To qualify for the project tax credit, the business must also spend at least

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$500,000 in project costs on the project. No minimum expenditure is required for the "start-up" tax credit. The business must also submit a copy of the certification from the Department of Business and Economic Development with the tax return.

Job Creation Tax Credit
Businesses that expand or establish new facilities in Maryland that results in the creation of new jobs may be entitled to a tax credit based upon the number of positions created or the wages paid to the new employees. For more information, please see http://business.marylandtaxes.com/taxinfo/taxcredit/jobcreation/default.asp.
To qualify for the credit, businesses must create at least 60 new full-time positions, and if the positions are highly paid, it must create at least 30 positions. If the new or expanded facility is located in a priority funding area, the number of new positions the company must create is reduced to 25.
Before filling these new positions, the company must notify the Department of Business and Economic Development of its intention to seek certification. The new positions must be:
(1) Full-time.
(2) Permanent.
(3) Paid at least 150 percent of the federal minimum wage.
(4) Located in Maryland.
(5) Filled.

Research and Development Tax Credits
Businesses that incur qualified research and development expenses in Maryland are entitled to a credit, but the total credits for all businesses cannot exceed $6 million per year, and is available for tax years on or after January 1, 2008, but beginning before January 1, 2011. For more information, please see http://business.marylandtaxes.com/taxinfo/taxcredit/randd/default.asp.
The credit may be taken against corporate income tax or personal income taxes. To qualify, the business must invest in research and development activities in Maryland during the tax year and apply for the credit with the Maryland Department of Business and Economic Development by 15 of the year following the tax year in which the expenses were incurred. The Maryland Department of Business and Economic Development will certify the amount of credit available to the business by December 15.
There are two types of research and development tax credits available to businesses:
(1) Basic Research and Development Credit: 3 percent of the Maryland qualified research and development expenses paid during the tax year, up to the Maryland base amount.
(2) Growth Research and Development Credit: 10 percent of the Maryland qualified research and development expenses paid during the year that exceed the Maryland base amount.
The business must file an amended income tax return (Form 500X or 502X) and submit a copy of the certification received from the Maryland Department of Business and Economic Development with the amended return. Additional forms would need to be attached depending on whether the credit is being applied toward

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corporate or personal taxes.

Bio Heating Oil Tax Credit
Businesses may claim a credit for each gallon of heating oil blended with biodiesel purchased for space or water heating. For any tax year, the credit allowed under this section may not exceed $500, or the state income tax for that tax year. The credit is available for the tax years beginning on or after January 1, 2008, but before January 1, 2013. For more information, please see http://energy.maryland.gov/residential/bioheatgrant.html and http://business.marylandtaxes.com/taxinfo/taxcredit/bioheatingoil/default.asp.

The credit may be taken against corporate income tax or personal income tax. The business must purchase “Bio–heating oil” with a blend of at least 5 percent biodiesel.

Business must receive an initial credit certificate from the Maryland Energy Administration (MEA) to claim a credit against the state income tax for a tax year in an amount equal to three cents for each gallon of bio–heating oil purchased for space or water heating. If the credit is more than the tax liability, the unused credit may not be carried forward to any future tax years.

Biotechnology Investment Incentive Tax Credit
Businesses may be allowed a tax credit against corporate or personal income tax of up to 50 percent of the amount contributed during the tax year to a qualified Maryland biotechnology company. Sole Proprietorships, corporations and pass-through entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts may claim the tax credit. For more information, please see http://business.marylandtaxes.com/taxinfo/taxcredit/biotech.asp and http://www.choosemaryland.org/businessresources/pages/biotechnologyinvestmenttaxcredit.aspx.

Qualified investors must contribute at least $25,000, in cash or cash-equivalent, to a “qualified biotechnology company” that is certified by the Maryland Department of Business and Economic Development based on a number of criteria. Qualified investors must also be required to file an income tax return to any jurisdiction. Credits may be claimed for no more than $250,000 per investment in a qualified biotechnology company.

DBED may not certify tax credits for investments in a single qualified biotechnology company that are in the aggregate more than 15 percent of the total amount appropriated to the Maryland Biotechnology Investment Tax Credit Reserve Fund for that fiscal year. DBED may not issue initial credit certificates in excess of the amount appropriated to the Reserve Fund for that fiscal year in the state budget as approved by the General Assembly.

A qualified biotechnology company must have:
- Its headquarters and base of operations in Maryland;
- Fewer than 50 full-time employees;
- No publicly traded securities; and
- Been in active business no longer than 10 years or 12 years, if approved by DBED.

A least 30 days before making an investment, the business must submit an initial credit certificate application to DBED. Upon approval (within 30 days of DBED’s receipt of the application), the applicant will receive an initial credit certificate.
stating the amount of the tax credit and will have 30 days to make the investment. Within the following 10 days, the investor must notify DBED that the investment has been made. A final credit certificate will be issued to the applicant stating the amount of the tax credit to which the applicant is entitled. A copy of the final credit certificate must be filed with the taxpayer’s income tax return.
The credit allowed is 50 percent of the amount contributed during the tax year, not to exceed $500,000. The amount in excess of the state tax liability may be refunded. The total amount of credits approved by DBED each year is limited; initial credit certificates will be issued on a first-come-first-served basis. A portion of this credit may be subject to recapture under certain circumstances.
Businesses that Create New Jobs Credit
Sole proprietorships, corporations and pass-through entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts located in Maryland that create new positions and establish or expand business facilities in the state may be entitled to a tax credit against corporate income tax, personal income tax or insurance premiums tax. The credit may be applied to only one of these tax types in addition to the property tax. To be eligible for the tax credit, businesses must first have been granted a property tax credit by a local government of Maryland for creating the new jobs. For more information, please see http://business.marylandtaxes.com/taxinfo/taxcredit/newjob/default.asp.
The business must create at least 25 new positions as part of the new or expanded business facility in Maryland (5,000 square feet or more). Businesses located in smaller counties (population of 30,000 or less) must create at least ten new positions.
An enhanced credit is instead available for businesses that create or expand a new business facility in Maryland of 250,000 square feet or more and:
(1) Employ 2,500 employees
(2) Create 500 new positions that pay at least 150 percent of the minimum wage OR
(3) Create 1,250 new positions that are paid at least 150 percent of the minimum wage.
In Montgomery County only, a business can:
(1) Spend at least $150 million to obtain at least 700,000 square feet of new or expanded business premises (through the purchase, construction, or lease of a new premises); and
(2) Employ at least 1,100 individuals including at least 500 in new positions. All of the positions must receive employer-provided subsidized health care benefits, be paid at least 150 percent of the minimum wage, and be located in or neighboring the new, expanded or renovated premises.
The new positions must be all of the following:
(1) Located in Maryland.
(2) Part of the new or expanded business facility in Maryland.
(3) Permanent.
(4) Full time of indefinite duration (For Montgomery County (and Washington County for tax years 2007 and later), the position can be a contract position of definite duration lasting at least 12 months with an unlimited renewal option).
(5) Filled for at least one year.
The business must then apply to, and receive certification from, the local government in which the facility is located for a property tax credit. The county or city government will notify the State Department of Assessments and Taxation (SDAT) that the property tax credit has been approved. SDAT will calculate and certify the amount of the allowable tax credit to the Comptroller. The credits are calculated as a percentage of the local property tax liability on the new or expanded portion of the facility. Those percentages are as follows:

(1) Property Tax Credit:
- 1st and 2nd taxable years: 52 percent
- 3rd and 4th taxable years: 39 percent
- 5th and 6th taxable years: 26 percent
- Remaining taxable years: 0 percent

(2) Credit against the personal or corporate income tax, or the insurance premiums tax:
- 1st and 2nd taxable years: 28 percent
- 3rd and 4th taxable years: 21 percent
- 5th and 6th taxable years: 14 percent
- Remaining taxable years: 0 percent

The enhanced property tax credit is a flat percentage of 58.5 percent for the local property tax credit and 31.5 percent for the state tax credit in each of the first 12 tax years.

If the credit is more than the state tax liability, the unused credit may be carried forward for the next five taxable years.

With respect to claiming the credit against insurance premium taxes, documentation of the credit must be maintained by the taxpayer in their files and be made available to the Insurance Commissioner, on request, in accordance with COMAR 31.06.04.03. The documentation should include documents from the agency granting the credit, and a list of the names and telephone numbers for the taxpayer’s staff who are directly involved in granting the credits. All information shall be retained for a minimum of three years from the date of the filing of the final tax return on which the credit is taken.

Cellulosic Ethanol Technology Research and Development Tax Credit

Sole proprietorships, corporations and pass through entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts that incur qualified research and development expenses for cellulosic ethanol technology in Maryland are entitled to a tax credit. The total credits for all businesses may not exceed $250,000 per year.

This credit is available for tax years beginning after December 31, 2007, but before January 1, 2017. The credit may be taken against corporate income tax or personal income tax.

The business must invest in research and development activities in Maryland related to “Cellulosic Ethanol Technology,” which is technology that is used to develop cellulosic biomass for conversion to ethanol fuel.

The business must also submit an application for the credit to the Maryland Department of Business and Economic Development (DBED) by September 15 of the calendar year following the end of the tax year in which the qualified research and development activities occurred.
development expenses were incurred. DBED certify the amount of credit available to the business by December 15.
The amount of the tax credit is equal to 10 percent of the qualified research and development expenses paid or incurred during the tax year. DBED may not approve more than $250,000 in credits for any calendar year. If the aggregate amount of credits applied for exceeds $250,000, each applicant will receive a prorated share of the total credit amount. If the credit is more than the state tax liability, the unused credit may be carried forward for the next 15 years.
The business must file an amended income tax return (Form 500X or 502X) and submit a copy of the certification received from the Maryland Department of Business and Economic Development with the amended return. Additional forms would need to be attached depending on whether the credit is being applied toward corporate or personal taxes.
For more information, please see
http://www.choosemaryland.org/businessresources/Pages/CellulosicEthanol.aspx
and
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Clean Energy Incentive Tax Credit
Businesses that use certain renewable energy sources or waste materials to produce electricity that is sold to an unrelated person may be entitled to an income tax credit. The facility must be placed in service, or co-firing with coal must begin, on or after January 1, 2006, but before January 1, 2011. Sole proprietorships, corporations and pass-through entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts may claim the tax credit.
The business must produce electricity during the tax year using primarily "qualified energy resources" (see Internal Revenue Code Section 45) which includes any solid, non-hazardous, cellulose waste material that is segregated from other waste materials and is derived from the following:
(1) Forest-related resources, including mill residues (except sawdust and wood shavings), forest thinnings, slash, or brush, but excluding old-growth timber.
(2) Waste pallets, crates, dunnage, landscape or right-of-way trimmings.
(3) Agricultural sources (orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues).
“Qualified energy resources” also includes methane gas or other combustible gases resulting from the decomposition of organic materials from an agricultural operation or from a landfill or a wastewater treatment plant using either anaerobic or thermal decomposition, or a combination of both.
The business must apply for and receive an initial credit certificate from the Maryland Energy Administration (MEA) before claiming this credit. The initial credit certificate must state the amount of electricity the taxpayer expects to produce in a qualified Maryland facility over the five-year period specified in the initial credit certificate. The total amount of the credit stated in the initial credit certificate cannot exceed $2.5 million.
The credit is 0.85 cents for each kilowatt hour of electricity produced at a Maryland facility using qualified energy resources during the five-year period after the facility

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is originally placed in service. If the facility produces electricity from qualified energy resources co-fired with coal, the credit is reduced to 0.5 cents per kilowatt hour of electricity produced during the five-year period beginning on the date of the initial co-firing. The credit claimed each year cannot exceed one-fifth of the credit amount stated in the initial credit certificate. If at least an average of 10 percent of the maximum credit amount stated on the initial credit certificate is not claimed over a three-year period, the MEA may cancel a portion of the amount stated on the initial credit certificate.

If the credit is more than the state tax liability, the unused credit may be carried forward for the next ten tax years. The MEA cannot issue an initial credit certificate after December 31, 2010, and the total of the maximum credit amounts on initial credit certificates issued through that date cannot exceed $25 million. A copy of the initial credit certificate issued by the MEA must be submitted with the income tax return.

For more information, please see Revenue Administration Division Comptroller of Maryland Annapolis, MD 21411-0001 Phone: 410-260-7980 from Central Maryland, 1-800-MD TAXES from elsewhere E-mail: taxhelp@comp.state.md.us Website: http://business.marylandtaxes.com/taxinfo/taxcredit/cleanenergy/default.asp Chris Rice Maryland Energy Administration 60 West Street, Suite 60 Annapolis, Md. 21401 Phone: 410-260-7655 1-800-72 ENERGY E-mail: crice@energy.state.md.us Website: http://energy.maryland.gov/residential/cleanenergygrants.html

Commuter Tax Credit

Maryland-based businesses that provide commuter benefits for employees may be entitled to a tax credit for a portion of the amounts paid during the taxable year. Commuter benefits include certain costs for an employee’s travel to and from home and the workplace, a Guaranteed Ride Home program or a parking "Cash-Out" program.

The credit may be taken against corporate income tax, personal income tax, state and local taxes withheld (for tax-exempt organizations) or insurance premiums tax. The same credit may not, however, be applied to more than one tax type.

The company must pay a portion of the cost of an employee’s travel between the employee’s home and workplace, including the purchase of transit instruments (tickets, passes, vouchers, fare cards, smart cards and tokens). In addition, the workplace must be located in Maryland and travel must take place in either:

(1) A mass transit vehicle such as an MTA Bus, MTA Commuter Bus, MTA Light Rail, MARC Train, WMATA Metrobus, WMATA Metrorail, or other qualified mass transit system; or

(2) A van-pool which can seat at least eight adults, is used primarily (80 percent of total annual mileage) to transport individuals between home and the workplace and is used primarily (80 percent of total annual mileage) to transport at least four employees per trip.

In addition, a business may also qualify for a credit for a portion of the cost paid to provide their employees a Guaranteed Ride Home and/or a parking "Cash-Out" program.

Each tax year, before businesses file for the new Commuter Tax Credit against any of the applicable taxes, they must have a Commuter Tax Credit registration form on file

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with the Maryland Mass Transit Administration. The application is available online at http://www.commuterchoicemaryland.com.
The tax credit is 50 percent of the cost of providing the commuter benefits up to a maximum of $50 per month (based on a $100 employer contribution) for each employee. If the credit is more than the state tax liability, the unused credit may not be carried forward to any other tax year. Businesses must submit the Maryland Commuter Tax Credit registration form to the MTA.

Documentation of the credit for purposes of receiving a credit against insurance premiums tax shall be maintained by the taxpayer in their files and be made available to the Insurance Commissioner, on request, in accordance with COMAR 31.06.04.03. The documentation should include documents from the agency granting the credit and a list of the names and telephone numbers for the taxpayer’s staff who are directly involved in granting the credits. All information shall be retained for a minimum of three years from the date of the filing of the final tax return on which the credit is taken.

For more information, please see http://business.marylandtaxes.com/taxinfo/taxcredit/commuter/default.asp.

Community Investment Tax Credit
Businesses that contribute cash or goods to approved projects operated by tax exempt organizations (under Internal Revenue Code section 501(c)(3)) are eligible for a tax credit of up to $250,000. This credit is in addition to any charitable contribution deduction that is allowed for these contributions on both the state and federal income tax returns.

The credit may be taken against corporate income tax, personal income tax, insurance premiums tax or public service company franchise tax. The same credit may not, however, be applied to more than one tax type. Sole proprietorships, corporations and pass-through entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts may claim the tax credit.

Beginning in 2010, individuals, including fiduciaries, who are not business entities may apply for and receive a tax credit for contributions to approved projects. To qualify for the credit:
The business must donate at least $500 in money or goods to an approved project and document the value of the contribution. The documentation may be either a receipt or certification of value of used goods from an independent and unrelated third party. The business must also attach a copy of the fully executed certification to the tax return.

How the credit is calculated:
The credit is 50 percent of the value of the donation. Each business may claim a credit of up to $250,000 beginning with tax years on or after 1/1/2007. The total contributions eligible for the tax credits for all approved projects may not be more than $2 million per fiscal year.

If the credit is more than the tax liability, the unused credit may be carried forward for the next five tax years.

Documentation required:

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Corporate income tax:
Form 500CR must be completed and submitted with the income tax return (Form 500).

Personal income tax:
Form 500CR must be completed and submitted with the income tax return (Form 502 or 505). If the business is a pass-through entity, Form 500CR must be prepared for the pass-through entity and submitted with the entity’s income tax return (Form 510). A modified federal Schedule K-1 provided by the pass-through entity to its members must separately state their shares of the credit. Individuals or entities must attach this statement to the Form 500CR submitted with their personal (Form 502 or 505), corporate (Form 500) or pass-through entity (Form 510) income tax returns.

Insurance premiums tax:
The contributor and the non-profit partner must complete the Certification of Contribution for Tax Credit and submit it to the Maryland Department of Housing and Community Development along with a copy of the check or documentation of the value of donated goods. Businesses claiming the credit against this tax must include their North American Industry Classification System (NAICS) number in the space provided on that form.

Public service company franchise tax:
Form AT3-74 must be submitted with the franchise tax return (SDAT Forms 11 or 11T).

For more information, contact:
Karen M. Forbes Assistant Director, Community Access and Partnership Maryland Department of Housing and Community Development Division of Neighborhood Revitalization 10 N. Calvert Street, Suite 444 Baltimore, Md. 21202 Phone: 410-209-5800 E-mail:Forbes@mdhousing.org Website:
http://www.neighborhoodrevitalization.org

Employer-Provided Long-term Care Insurance Credit
Employers who provide long-term care insurance as part of an employee benefit package may claim a credit for costs incurred.
The credit may be taken against corporate income tax, personal income tax, insurance premiums tax or public service company franchise tax. The same credit may not, however, be applied to more than one tax type.
Sole proprietorships, corporations and pass-through entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts may claim the tax credit.
To qualify for the credit:
The company must provide long-term care insurance benefits to one or more employees during the taxable year as part of an employee benefit package.
How the credit is calculated:
The credit allowed is 5 percent of the costs. The total claimed for a taxable year for all employees may not exceed $5,000, or $100 per employee, whichever is less.
If the credit is more than the tax liability, the unused credit may be carried forward for the next five tax years.
Documentation required:

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Corporate income tax:
Form 500CR must be completed and submitted with the income tax return (Form 500).

Personal income tax:
Form 500CR must be completed and submitted with the income tax return (Form 502 or 505). If the business is a pass-through entity, Form 500CR must be prepared for the pass-through entity and submitted with the entity’s income tax return (Form 510). A modified federal Schedule K-1 provided by the pass-through entity to its members must separately state their shares of the credit. Individuals or entities must attach this statement to the Form 500CR submitted with their personal (Form 502 or 505), corporate (Form 500) or pass-through entity (Form 510) income tax return.

Insurance premiums tax:
Documentation of the credit shall be maintained by the taxpayer in their files and be made available to the Insurance Commissioner, on request, in accordance with COMAR 31.06.04.03. The documentation should include documents from the agency granting the credit and a list of the names and telephone numbers for the taxpayer’s staff who are directly involved in granting the credits. All information shall be retained for a minimum of three years from the date of the filing of the final tax return on which the credit is taken.

Public service company franchise tax:
Form AT3-74 must be submitted with the franchise tax return (SDAT forms 11 or 11T).

For more information, contact:
Revenue Administration Division Comptroller of Maryland Annapolis, MD 21411-0001 Phone: 410-260-7980 from Central Maryland, 1-800-MD TAXES from elsewhere E-mail: taxhelp@comp.state.md.us Website:
http://business.marylandtaxes.com/taxinfo/taxcredit/longtermcare/default.asp or:
State Department of Assessments and Taxation 301 W. Preston Street Baltimore, MD 21201-2395 Phone: 410-767-1191 E-mail: taxcredits@dat.state.md.us

Employment Opportunity Tax Credit
Businesses that hire an individual who is receiving Aid to Families with Dependent Children (AFDC) or Family Investment Program (FIP) entitlements may be entitled to a tax credit for wages paid to the employee and for child care and transportation expenses paid on behalf of the employee. The credit may be claimed for individuals hired before July 1, 2009.

The credit may be taken against corporate income tax, personal income tax, state and local taxes withheld (for certain tax-exempt organizations only), insurance premiums tax or public service company franchise tax. The same credit may not, however, be applied to more than one tax type.

The company must hire at least one employee that received AFDC or FIP payments for any three months during the 18-month period before employment by the company. The employee cannot be closely related to the owners of the business. Certification must be obtained from the Department of Labor, Licensing and Regulation that the individual is a qualified employee.

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The credit is allowed for the first two years of employment of the individual for both the wages paid and the child care or transportation expenses paid on behalf of the employee as follows: (1) First year
(a) Wages: 30 percent of the first $6,000 paid in the first year (a maximum allowable credit of $1,800).
(b) Child care or transportation expenses: Up to $600 of expenses paid in the first year.
(2) Second year
(a) Wages: 20 percent of the first $6,000 of wages paid in the second year (a maximum allowable credit of $1,200).
(b) Child care or transportation expenses: Up to $500 of expenses paid in the second year.
If the employee has been a recipient of AFDC or Temporary Cash Assistance for any 18 months during the last 48 months and is employed by the business for a full year, the credit increases to 40 percent of the first $10,000 of wages paid to the employee during the first year of employment. The credit for child care or transportation expenses may also be taken for the first and second years as shown above. If the credit is more than the state tax liability, the unused credit may be carried forward for the next five tax years. For more information, please see http://www.dllr.state.md.us/employment/eotc.shtml and http://business.marylandtaxes.com/taxinfo/taxcredit/employment/default.asp.

Green Building Tax Credit
NOTE: This information reflects Maryland law regarding the Green Buildings Tax Credit. However, all credits have been allocated through the current program’s end. Unless the program is extended or receives additional funding, no additional credits may be authorized.

Heritage Structure Rehabilitation Tax Credit
As of June 1, 2010, the Sustainable Communities Tax Credit replaces the Heritage Structure Rehabilitation Credit.
A credit may be allowed for substantial expenditures incurred in a 24-month period to rehabilitate a certified heritage structure located in Maryland. The credit is available for owner-occupied residential property, as well as income-producing property. Credits may not be authorized after June 30, 2010.
The credit may be taken against corporate income, personal income or insurance premium tax.
Sole proprietorships, corporations, tax-exempt nonprofit organizations and passthrough entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts may claim the tax credit.
To qualify for the credit:
The business must complete a heritage preservation certification application and submit the application for approval to the Maryland Historical Trust (MHT). After certification by MHT, the form is returned to you. A copy of the certified form (Part 3) from MHT must accompany your Maryland income tax return.
How the credit is calculated:
The credit is 20 percent of the total expenditures incurred during the 24 month rehabilitation period. For the rehabilitation of commercial structures, the credit
cannot be more than the maximum amount specified under the initial credit certificate, which is based on estimated expenditures. If the application was submitted to MHT before June 1, 2002, the credit based on actual expenditures can be up to $250,000 more than the amount shown on the initial credit certificate. The credit is claimed in the year in which the rehabilitation is completed; however, it cannot be claimed until the Part 3 certification is approved. For property certified before July 1, 2001, a business could have received a mortgage credit certificate. In lieu of taking the credit, the certificate may be transferred to the mortgage holder who may then take a credit against their income tax in an amount equal to the face value of the certificate. For certifications received after June 30, 2001, the amount in excess of the state tax liability can be refunded. Credits for tax years 2002 and later are limited to $3 million. For non-commercial properties, the credit is $50,000 per property for applications received by MHT after June 30, 2004. The rehabilitation of a structure that received approval by the MHT on or before February 1, 2001, is subject to the provisions of the law in effect prior to the 2002 legislative changes. The MHT will not accept applications for the approval of plans for commercial rehabilitations if a substantial part of the work has been completed if the applicant has already submitted three or more applications for a combined total of more than $500,000 in that year. The total amount of credits approved by MHT for properties located in certain areas of the state during each fiscal year is subject to certain limitations. A pro-rated percentage of the credit is subject to recapture if disqualifying work is performed during a five-year period, beginning with the year in which the certified rehabilitation was completed. Documentation required: Corporate income tax: Form 502H must be completed and submitted with the income tax return (Form 500) along with the MHT certification. Personal income tax: Form 502H must be completed and submitted with the income tax return (Form 502 or 505) along with the MHT certification. If the business is a pass-through entity, Form 502H must be prepared for the pass-through entity and submitted with the entity’s income tax return (Form 510). A modified federal Schedule K-1 provided by the pass-through entity to members must separately state their shares of the credit. Individuals or entities must attach this statement to the Form 502H submitted with their personal (Form 502 or 505), corporate (Form 500) or pass-through entity (Form 510) income tax returns. Insurance premiums tax: Documentation of the credit shall be maintained by the taxpayer in their files and be made available to the Insurance Commissioner, on request, in accordance with COMAR 31.06.04.03. The documentation should include documents from the agency granting the credit and a list of the names and telephone numbers for the taxpayer’s staff who are directly involved in granting the credits. All information shall be

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retained for a minimum of three years from the date of the filing of the final tax return on which the credit is taken.

For more information, contact:
Collin Ingraham
Maryland Historical Trust
100 Community Place
Crownsville, MD
21032-2023
Phone: 410-514-7628
E-mail: goodrow@dhcd.state.md.us
Website: http://mht.maryland.gov/taxcredits_resources.html

Long-term Employment of Ex-Felons Tax Credit
Businesses that operate in Maryland and hire one or more ex-felons during the period from January 1, 2007, through December 31, 2011, who are employed by the business for at least one year, may be entitled to a credit.

The credit may be taken against corporate, personal income tax, or state and local taxes withheld (certain tax exempt organizations only). The credit may not be applied to more than one tax type.

Sole proprietorships, corporations, pass-through entities (partnerships, subchapter S corporations, limited liability companies, business trusts) and tax-exempt, nonprofit organizations may claim the tax credit.

To qualify for the credit:
The company must hire at least one ex-felon between January 1, 2007, and December 31, 2011, and employ that person for a minimum of one year.
The company must also obtain certification from the Maryland Department of Labor, Licensing and Regulation that the individual is a qualified ex-felon.

How the credit is calculated:
For the first year, the credit is 30 percent of the first $6,000 paid to a qualified individual with a maximum credit of $1,800. In the second year, the credit is 20 percent of the first $6,000 paid with a maximum credit of $1,200.
If the credit is more than the state tax liability, the unused credit may be carried forward for the next five tax years.

A tax-exempt organization may estimate the amount of the tax credit for qualifying employees for the taxable year. The total amount of the estimated credit should be divided evenly over the number of periods for filing withholding returns (Form MW 506). For example, if quarterly returns are required, then the total estimated credit should be divided by four. Each payment to the Comptroller would be reduced by the pro rata amount of the credit.
Alternatively, the tax-exempt organization could apply the credit against the tax on unrelated business taxable income.

Documentation required:
Corporate income tax:
Form 500CR must be completed and submitted with income tax return (Form 500)

Personal income tax:
Form 500CR must be completed and submitted with income tax return (Form 502 or Form 505). If the business is a pass-through entity, Form 500CR must be prepared for the pass-through entity and submitted with the entity’s income tax return (Form 510). A modified federal Schedule K-1 provided by the pass-through entity to its members must separately state their shares of the credit. Individuals or entities must attach this statement to the Form 500CR submitted with the personal (Form 502 or 505), corporate (Form 500) or pass-through entity (Form 510)

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income tax returns.
State and local income taxes withheld:
Form 500CR must be submitted with Form MW 508, Maryland Annual Employer Withholding Reconciliation Report.
The credit cannot be claimed if either the Employment Opportunity Tax Credit or the Maryland Disability Employment Tax Credit is claimed for the same employee.
For more information, contact:
David Ghee Maryland Department of Labor, Licensing and Regulation Division of Employment and Training 1100 N. Eutaw Street Baltimore, MD 21201 Phone: 410-767-2080 E-mail: ghee@careernet.state.md.us
Please see also http://business.marylandtaxes.com/taxinfo/taxcredit/lteoef/default.asp

Maryland Disability Employment Tax Credit
Businesses that hire people with disabilities may be entitled to a tax credit for wages paid to the employees and for child care or transportation expenses paid on behalf of the employees. A person with a disability includes a veteran released from the armed forces for a service-related disability. The credit may be claimed for individuals hired before July 1, 2011.
The credit may be taken against corporate income tax, personal income tax, state and local taxes withheld (for certain tax-exempt organizations only), insurance premiums tax or public service company franchise tax. The same credit may not, however, be applied to more than one tax type.
Sole proprietorships, corporations, tax-exempt nonprofit organizations and passthrough entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts may claim the tax credit.
To qualify for the credit:
The company must hire an individual with a disability and obtain a determination from the Division of Rehabilitation Services (DORS) of the Maryland State Department of Education, or the Maryland Department of Labor, Licensing and Regulation (DLLR) for a disabled veteran, that the individual is a qualified employee with a disability.
How the credit is calculated:
The credit is allowed for the first two years of employment of the disabled individual for both the wages paid and the child care or transportation expenses paid on behalf of the employee as follows:
First Year
Wages: 30 percent of the first $6,000 paid in the first year for a maximum allowable credit of $1,800 (20 percent for employees hired before July 1, 2000). Child care or transportation expenses: Up to $600 of expenses paid in the first year
Second Year
Wages: 20 percent of the first $6,000 of wages paid in the second year for a maximum allowable credit of $1,200. Child care or transportation expenses: Up to $500 of expenses paid in the second year. If the credit is more than the tax liability, the unused credit may be carried forward for the next five tax years.
The credit may not be claimed if the Employment Opportunity Tax Credit was claimed for the same employee.
A tax-exempt organization may estimate the amount of the tax credit for qualifying

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employees for the taxable year. The total amount of the estimated credit should be divided evenly over the number of periods for filing withholding returns (Form MW506). For example, if quarterly returns are required, then the total estimated credit should be divided by four. Each payment to the Comptroller would be reduced by the pro rata amount of the credit.

Alternatively, the tax-exempt organization could apply the credit against the tax on unrelated business taxable income.

Documentation required:
Corporate income tax:
Form 500CR must be completed and submitted with the income tax return (Form 500).

Personal income tax:
Form 500CR must be completed and submitted with the income tax return (Form 502 or 505). If the business is a pass-through entity, Form 500CR must be prepared for the pass-through entity and submitted with the entity’s income tax return (Form 510). A modified federal Schedule K-1 provided by the pass-through entity to its members must separately state their shares of the credit. Individuals or entities must attach this statement to the Form 500CR submitted with their personal (Form 502 or 505), corporate (Form 500) or pass-through entity (Form 510) income tax returns.

State and local income taxes withheld:
Form 500CR must be submitted with Form MW 508, the Maryland Annual Employer Withholding Reconciliation Report.

Insurance premiums tax:
Documentation of the credit shall be maintained by the taxpayer in their files and be made available to the Insurance Commissioner, on request, in accordance with COMAR 31.06.04.03. The documentation should include documents from the agency granting the credit and a list of the names and telephone numbers for the taxpayer’s staff who are directly involved in granting the credits. All information shall be retained for a minimum of three years from the date of the filing of the final tax return on which the credit is taken.

Public service company franchise tax:
Form AT3-74 must be submitted with the franchise tax return (SDAT forms 11 or 11T).

For more information, contact:
David Ghee Maryland Department of Labor, Licensing and Regulation Division of Employment and Training 1100 N. Eutaw Street Baltimore, MD 21201 Phone: 410-767-2080 E-mail: ghee@careernet.state.md.us

or:
Maryland State Department of Education Division of Rehabilitation Services 2301 Argonne Drive Baltimore, MD 21218 Phone: 1-888-554-0334 E-mail: dors@dors.state.md.us

Please see also
http://business.marylandtaxes.com/taxinfo/taxcredit/disability/default.asp and
http://www.dllr.state.md.us/employment/mdetc.shtml

Maryland-Mined Coal Tax Credit
A co-generator, a public service company, or an electricity supplier that purchases coal mined in Maryland on or before December 31, 2020 may be eligible for a tax credit.

The credit may be taken against corporate income tax, personal income tax or public service company franchise tax. The same credit may not, however, be applied to more than one tax type.

Sole proprietorships, corporations and pass-through entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts may claim the tax credit.

To qualify for the credit:
The business must purchase Maryland-mined coal during the tax year. To take the credit against the income tax, an application must be submitted to the State Department of Assessments and Taxation (SDAT). An electricity supplier must not have been an electric company before July 1, 1999, and both co-generators and electricity suppliers must not be subject to the public service company franchise tax.

The total amount of credits approved by SDAT for the tax years 2007 and later are limited. In addition, $2,250,000 of the credits must be reserved for Maryland-mined coal for use in a Maryland facility.

How the credit is calculated:
The credit is $3 per ton of Maryland-mined coal purchased during the tax year, but cannot exceed the credit amount approved by SDAT.

If the credit is more than the tax liability, the unused credit may not be carried forward to future taxable years.

Documentation required:
Corporate income tax:
Form 500CR must be completed and submitted with the income tax return (Form 500).

Personal income tax:
Form 500CR must be completed and submitted with the income tax return (Form 502 or 505). If the business is a pass-through entity, Form 500CR must be prepared for the pass-through entity and submitted with the entity's income tax return (Form 510). A modified federal Schedule K-1 provided by the pass-through entity to its members must separately state their shares of the credit. Individuals and entities must attach this statement to the Form 500CR submitted with their personal (Form 502 or 505), corporate (Form 500) or pass-through entity (Form 510) income tax returns.

Public service company franchise tax:
Computation and schedule must be submitted with the franchise tax return (SDAT Form 11).

For more information, contact:
Revenue Administration Division Comptroller of Maryland Annapolis, MD 21411-0001 Phone: 410-260-7980 from Central Maryland, 1-800-MD-TAXES from elsewhere E-mail: taxhelp@comp.state.md.us or:
State Department of Assessments and Taxation 301 W. Preston Street Baltimore, MD 21201-2395 Phone: 410-767-1191 E-mail: taxcredits@dat.state.md.us

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Telecommunications Property Tax Credit
A telecommunications company that is a public utility is allowed a credit for a portion of the total property taxes paid by the company on its operating real property in Maryland, other than operating land, that is used in its telecommunications business.
The credit may be taken only against corporate income tax.
Only corporations may claim the tax credit.
To qualify for the credit:
The business must be a public utility that is a telecommunications company. The business must also have paid property taxes on its operating real property in Maryland, other than operating land, that is used in its telecommunications business.
How the credit is calculated:
The credit is 60 percent of the total state, county and municipal corporation property taxes paid by the public utility during the taxable year on its operating real property used in its telecommunications business, other than operating land. The credit cannot exceed the state income tax liability after deducting other allowable income tax credits.
If the credit is more than the tax liability, the unused credit may not be carried forward to any future tax years.
Documentation required:
Corporate income tax:
Form 500CR must be completed and submitted with the income tax return (Form 500).
For more information, contact:
Revenue Administration Division Comptroller of Maryland Annapolis, MD 21411-0001 Phone: 410-260-7980 from Central Maryland, 1-800-MD-TAXES from elsewhere E-mail: taxhelp@comp.state.md.us or:
State Department of Assessments and Taxation 301 W. Preston Street Baltimore, MD 21201-2395 Phone: 410-767-1191 E-mail: taxcredits@dat
Please see also:
Water Quality Improvement Tax Credit
A credit may be claimed for the additional commercial fertilizer costs necessary to convert agricultural production to a certified nutrient management plan. However, this credit cannot be earned for any tax year beginning on or after January 1, 2009.
The credit may be taken against corporate income tax or personal income tax only for expenses incurred before January 1, 2009.
Sole proprietorships, corporations and pass-through entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts may claim the tax credit.
To qualify for the credit:
The business must submit a nutrient management plan and information related to
the purchase and use of commercial fertilizer to the Maryland Department of Agriculture.
The business must receive the following certifications from the Maryland Department of Agriculture:
The business has submitted a nutrient management plan The additional commercial fertilizer costs are necessary to comply with a nutrient management plan. The amount of the tax credit that the business is eligible to claim for the taxable year. The business must submit a copy of the certification from the Maryland Department of Agriculture with its income tax return.
How the credit is calculated:
The credit allowed:
Is 50 percent of the certified additional commercial fertilizer costs necessary to convert agricultural production to a nutrient management plan. May be claimed for up to three consecutive years. May not exceed $4,500 in any tax year. If the credit is more than the tax liability, the unused credit may be carried forward for the next five tax years.
Documentation required:
Corporate income tax:
Form 500CR must be completed and submitted with the income tax return (Form 500).
Personal income tax:
Form 500CR must be completed and submitted with the income tax return (Form 502 or 505). If the business is a pass-through entity, Form 500CR must be prepared for the pass-through entity and submitted with the entity’s income tax return (Form 510). A modified federal Schedule K-1 provided by the pass-through entity to its members must separately state their shares of the credit. Individuals or entities must attach this statement to the Form 500CR submitted with their personal (Form 502 or 505), corporate (Form 500) or pass-through entity (Form 510) income tax returns.
For more information, contact:
Maryland Department of Agriculture Office of Resource Conservation Annapolis, MD 21401 Phone: 410-841-5863 E-mail: lawren1@mda.state.md.us
Please see also http://business.marylandtaxes.com/taxinfo/taxcredit/waterquality/default.asp

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First Contributions, Administration Certain materials for this Handbook were first contributed by Mark A Sargent, former dean of the University of Maryland Carey School of Law, and members of committees of the Maryland State Bar Association and the Bar Association of Baltimore City and this Handbook is administered by members of those Bar Associations and the Business Law Society of the University of Maryland Carey School of Law. This Handbook is a dynamic resource to which personnel of federal, state and local agencies, as well as other governmental or private organizations and individuals, contribute from time to time. All information, opinions, and positions stated in this Handbook are those of various contributors and do not necessarily reflect those of the Maryland State Bar Association, the Bar Association of Baltimore City, the University of Maryland Carey School of Law, or its Business Law Society.

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