

# Impact Definitions SBDC

---

## IMPACT DEFINITIONS

---

For all of the categories below, the following rules apply:

- » Impact may only be counted once 3 or more hours of consulting and/or training have been recorded; if the hours are less than 3 a full explanation of how the impact credit is justified must be documented in the Notes section
- » Impact may not be counted if there are less than 3 hours of consulting and/or training recorded
- » The SBDC client must sign the Impact Verification Form, signifying that through SBDC assistance, economic impact was created
- » Impact may only be entered once the Impact Verification Form is uploaded
- » Any oversize or unordinary impact recording must be accompanied by additional backup and documentation from the client
- » If only training has taken place, the impact can be entered under a EDMIS Update
- » Miscellaneous sessions should be converted to a Follow-On or EDMIS Update
- » **Centers can now claim impact for a client that has received EIDL/PPP with a minimum of 15 minute session**

### Jobs Created:

A job created may be reported if a person has been hired by an SBDC client as a direct result of assistance from the SBDC. Full-time employees should be counted as "1" in the system; part-time employees should be counted as ".5."

The following situations would count as a "job created:"

- » Jobs resulting from expansion
- » Jobs resulting from start-ups, in which case the owner(s) should also be counted as new job(s) created
- » In cases where a business is purchased, the new owner is a job created if they are actively managing the business; any new positions hired by the new owner are also counted as a job(s) created
- » New employees that are on the business owner's payroll should be counted as a job created; seasonal workers or construction jobs that are employed for at least 30 consecutive days are legitimate job creation
- » If a business is sold and the new owner comes into the SBDC, the job for the owner shall be a job created but any employees from previous owners that moved to the new owners shall be counted as jobs retained
- » Contract labor or contractual jobs are NOT counted as jobs created (contract construction jobs are the exception to this rule)

Jobs that were created indirectly as a result of a business start-up or expansion do not count as a job created.

### Jobs Retained:

A job retained may be counted if the company received direct SBDC assistance and therefore the client will not have to:

- » Lay off positions – temporarily or permanently
- » Move out of the SBDC service area
- » Close business
- » Declare bankruptcy

In situations where the business is closing, but the SBDC assists clients in selling the company, then the jobs that continue to exist may be counted as retained. Jobs retained will only be counted once per calendar year.

# Impact Definitions

# SBDC

## Business Start:

A business is considered started when the owner has completed required registration(s), if applicable, with the local, state, and/or federal government (e.g., DBA registration, get a business license, agency issued tax identifications, etc.) and has done at least one of the following:

- » Documented a transaction from the sale of a product or professional or personal service for the purpose of gain or profit
- » Contracted for or compensated an employee(s) or independent contractor(s) to perform essential business functions
- » Acquired debt or equity capital to pursue business operations (e.g., to purchase inventory, equipment, building, business, etc.)
- » Incurred business expenses in the operation of a business

Businesses are considered created if, at the previous session (whether in the current fiscal year, or a past one), the client was "Not In Business," and at a subsequent session or update (in the fiscal year being reported) was "In Business." Business starts from more than 3 years ago need written approval from the state director to be counted. Please get approval from the state director via email, and attach that email to the session.

## Capital Infusion:

Capital infusion (or capital formation) includes all forms of capital debt and/or investments from all sources (i.e., lines of credit, consumer debt products used specifically for the business, angel investors, owner's capital contributions, purchase or sale of a business etc.). Credit lines and other revolving debt facilities/instruments are to be recognized for the full amount of the line of credit when established and not to be based on individual drawdowns.

Capital shall only be counted once the client has received the funds, not when they get notice of award approval.

## Increased Sales:

Increased sales is documented based on the sales reported from a client's initial visit to their sales reported once five or more hours of consulting are completed. Sales increase can be counted once per year after the initial five hours of consulting requirement has been met.

## Contracts:

Contracts will be counted once the client receives formal notice of award of contract. SBDC shall only count funds once they draw down funds, not on the total award (Example: \$5M contract over 5 years = \$1M per year; SBDC may enter \$1M annually, not the total of \$5M)

## CENTER IC DEFINITIONS

---

### Long-Term Client:

A client that has had five or more consulting hours (to include contact and prep time) during a fiscal year

### Prep Time:

Prep time is defined as the amount of time spent reviewing sessions notes and preparing for a business or individual client session. This time should be no more than .5 hours.

### Travel Time:

Travel time does not count toward consulting time and is tracked separately in Center IC

### Contact Time:

# Impact Definitions SBDC

The amount of time spent directly consulting/interacting with, or doing work on behalf of, a business or individual client. The time SBDCNet spends conducting research for your client may be captured as contact time as long as a copy of the research is attached within Center IC. Other examples including face-to-face consulting meetings, business plan reviews, financial analysis, etc.

## Consulting:

Services provided to an individual and/or business:

- » First session must be in person and be at least one hour long
- » All clients are required to have a signed SBA Form 641 on file (either filled out online or hand-written)
- » Sessions must be substantive in nature and require assistance in the formation, management, financing, and/or operation of a small business enterprise
- » Assistance must be specific to the needs of the business or individual
- » Sessions must be one-on-one, in person (face-to-face), on the telephone or electronic

**Face-to-Face Consulting (In-Person):** Meets the definition of “Consulting” and should be no less than 60 minutes initially (can include prep time in this initial calculation) and includes any consulting session thereafter regardless of time.

**Telephone Consulting:** Meets the definition of “Consulting” and should be no less than 30 minutes initially (can include prep time in this initial consultation) and includes any consulting session thereafter regardless of time.

**Online Consulting:** Meets the definition of “Consulting” and should be no less than 30 minutes initially (can include prep time in this initial consultation) and includes any consulting session thereafter regardless of time.

**Group Consulting:** Multiple consultants per sessions are allowed; however, hours cannot be double-counted in Center IC. Sessions may be recorded one of two ways:

1. Total session hours are put under one consultant as initial or follow-on session; second consultant’s hours are entered as a miscellaneous session for billing purposes
2. Total hours are split between both consultants and entered as two separate initial or follow-on sessions

## Verification Process:

All clients reporting impact must sign the Impact Verification Form which must state that, “through the assistance of the SBDC,” the impact was obtained. This signature may be obtained via:

- » Signed document: Must be scanned and uploaded to client record (preferred method)
- » Response directly from client over email: Email should be uploaded as attachment to Center IC record
- » Online survey through Center IC: Will automatically be captured in the client’s Center IC record and records IP address; should be converted to follow-on and impact verified by center
- » Online survey through Constant Contact: Response should be saved and uploaded to Center IC record or pasted in body of Notes section

All Impact Verification Forms must be uploaded to Center IC as an attachment or in the body of the Notes before any impact can be recorded.

“**Apex**” Clients (High Impact Clients) – Clients who have the potential to have significant impact, come prepared and ready to work at one-on-one sessions, perform “Next Steps” and attend all appointments. This includes clients who do qualify for special SBDC programs.

“**Ridge Line**” Clients (Medium Impact Clients) – Clients who have the potential to have moderate impact, come prepared and ready to work at one-on-one sessions, perform “Next Steps” and attend all appointments. This includes clients who may qualify for special SBDC programs.

“**Trailhead**” Clients (Low Impact Clients) – Clients who have the potential to have low or no impact, are not prepared and ready to work at one-on-one sessions, do not perform “Next Steps” and do not attend or regularly cancel appointments. This includes clients who do not qualify for special SBDC programs.

# Impact Definitions SBDC

## Intake Process: (Network may conduct all or some of the steps)

### Pre-Venture clients:

- Require to attend a minimum of one start up workshop
- Required to complete a rudimentary business plan with rough financials prior to 1<sup>st</sup> visit

### In business clients:

- Require to provide an existing business plan on strategy plan if completed
- Require to bring financials to the 1<sup>st</sup> session

### Required Services to Colorado Constituents:

Required services do not necessarily mean 1:1 consulting. Services may include 1:1 consulting, training and/or referrals to the correct resource. Providing quality services is about the entrepreneur receiving useful information to assist the business in their success.

