# VENTURES

504 Jobs Documentation & Reporting

### Overview

The SBA 504 Loan Program offers financing to small businesses so they can create new jobs and improve the local economy. Definitions of Jobs provided on this page are as shown on SBA Form 1253 (06-25).

In this workbook we will show you where to enter Jobs data at application and post funding within Ventures to satisfy your Jobs reporting requirement, we will also show you how to run the Annual Jobs report.

#### Definitions:

Accelerated Debentures are loans that are placed in liquidation status and the debenture is required to be repurchased by SBA. When the loan's status is changed to 'accelerated,' the loan accounting is transferred to SBA.

<u>Job Opportunity</u> means a full time (or equivalent\*) permanent or contracted job created within two years of receipt of 504 funds, or retained in the community because of a 504 loan.

<u>Job Created</u> means a full-time equivalent (8 productive hours per day/40 productive hours per week) permanent or contracted employment created within 2 years of financing.

The Government Accountability Office's (GAO) methodology for calculating full-time equivalent employees demonstrates how to convert part-time or temporary jobs into "full-time equivalent" (FTE) jobs:

Cumulative Hours Worked / Cumulative Hours Worked in a Full-Time Schedule = FTE

For example: Assume that a full-time schedule for the 52-week work-year is 2,080 hours/year. An employee that works part-time 15 hours per week would qualify as 0.375 FTEs.

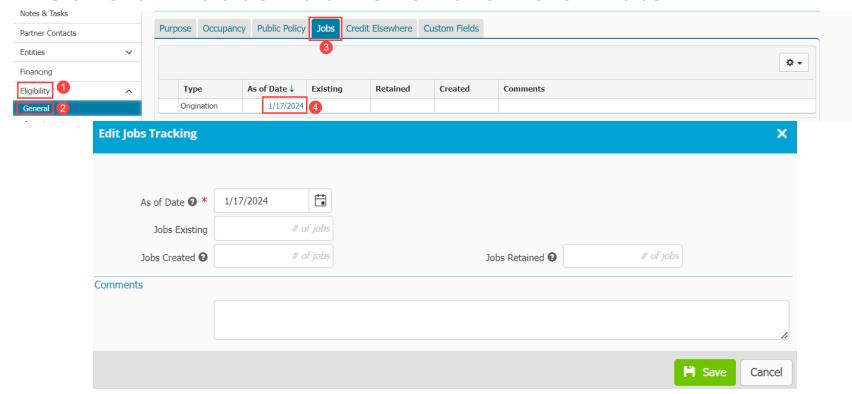
(15 hours x52 weeks) / 2080 hours = 0.375

Jobs Retained means jobs that otherwise would be lost to the community if the project was not done. Do not count all existing jobs as being retained if they were not at risk of being lost. CDC must be able to reasonably show that jobs would be lost to the community if the project was not done.

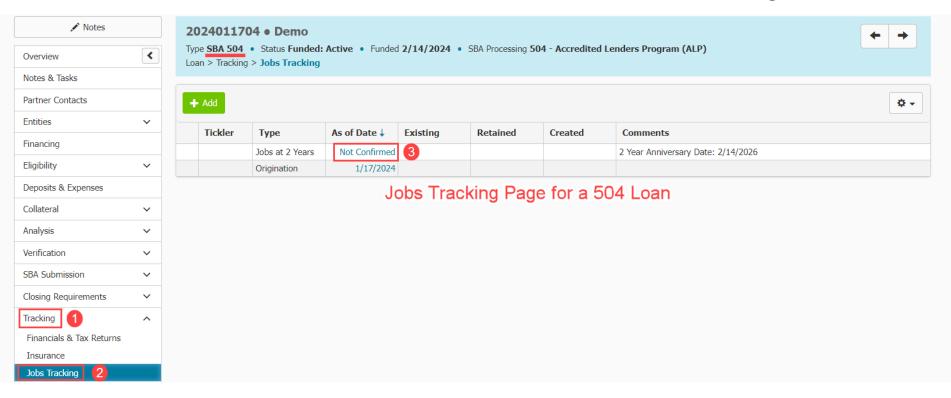
### Jobs – At Application

Prior to submitting your SBA Form 1244 to SBA you should have collected Jobs information.

Jobs at time of application are entered in Eligibility >
 General > Jobs Tab> Click the As of Date



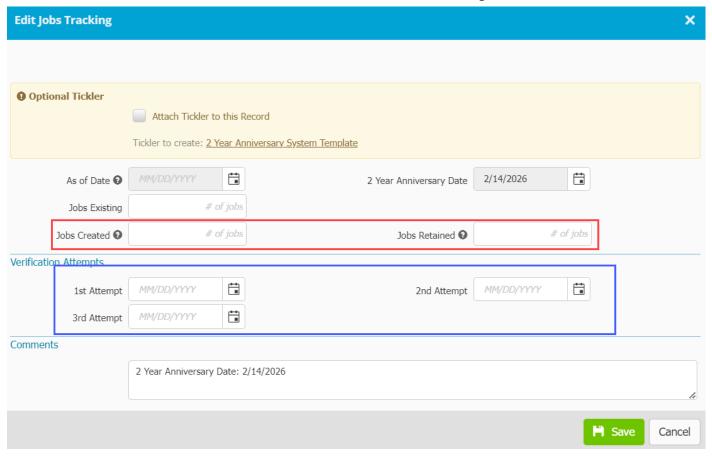
### Jobs – 2 Year Anniversary



During Servicing, for 504 Loans, you can enter Jobs at 2 Year Anniversary data on the **Tracking > Jobs Tracking page**. You will see a Jobs at 2 Years record entered in the table for you to add data to. **Click the As of Date** to enter data. If it is your first time on the page it will say "Not Confirmed" or it will list a date. We cover the pop up that appears on the next page.

For 7A loans you can add additional job data on the same page. Click Add to start the process.

#### Jobs – 2 Year Anniversary Continued



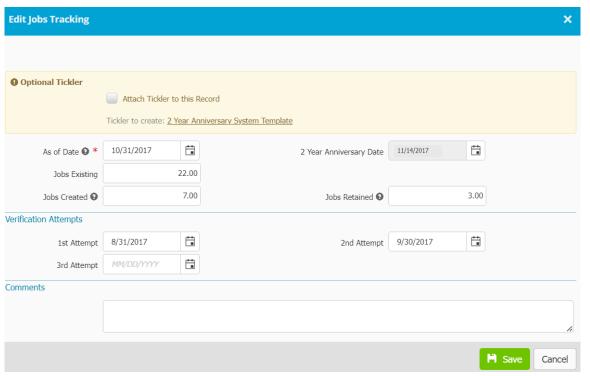
- If you have a tickler template set up, you can check the Attach Ticker to this Record to assign a tickler.
- Highlighted RED fields transfer to the SBA Jobs Report
- Highlighted BLUE fields are good recordkeeping fields to document attempts made to obtain the information
- The As of Date field will be editable after you enter data into any of the fields.

### Jobs – 2 Year Anniversary TIPS

- Jobs Retained field Jobs retained at the 2 year mark can never be greater than the retained at application.
- **Jobs Created** field If no jobs were created at 2 years the entry would be 0. *Entering negative numbers will skew your final numbers and is not recommended*.
- As of Date field- The "Date Verified" column under "Debentures Funded 2 or More Years" in Annual Jobs report must match the date on the document signed by the authorized employee of the borrower. Input that date in this field.

### Jobs – 2 Year Anniversary Examples

You've sent your 2 year anniversary letter to the borrower. Borrower returns the *signed certification dated October 31, 2017* stating 22 actual jobs. They previously had 15 jobs existing, with 3 of those being retained jobs and continue to retain those jobs. How do you show this in Ventures?

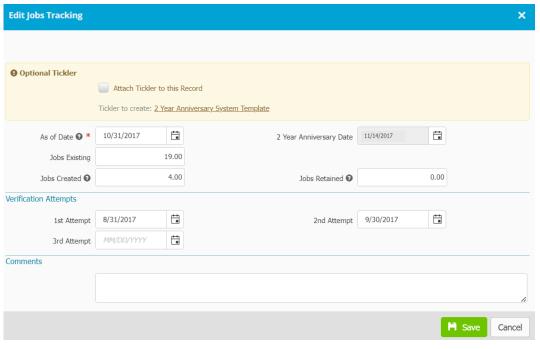


- Jobs Existing: 22
- Jobs Retained: Jobs retained at the 2 year mark can never be greater than the retained at application. In this example it will remain at 3.
- Jobs Created: 7
- As of Date: 10/31/2017

In this example the letter was sent out twice to the borrower. The **As Of Date** field populates the "Date Verified" column under "Debentures Funded 2 or More Years" in Annual Jobs report. Must match the date on the document signed by the authorized employee of the borrower.

### Jobs – 2 Year Anniversary Examples

You've sent your 2 year anniversary letter to the borrower. Borrower returns the *signed certification dated October 31, 2017* stating 19 actual jobs. They previously had 15 jobs existing, with 0 of those being retained jobs How do you show this in Ventures?

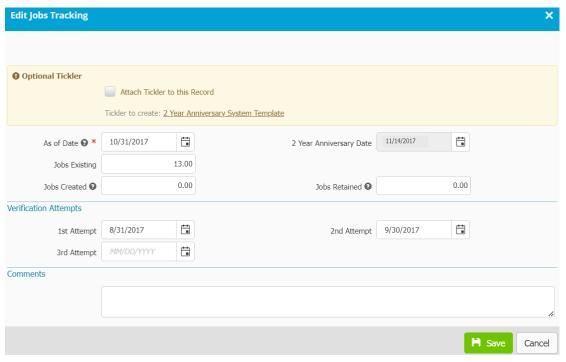


- Jobs Existing: 19
- **Jobs Retained**: 0 as Jobs retained at the 2 year mark can never be greater than the retained at application.
- Jobs Created: 4
- As of Date: 10/31/2017

In this example the letter was sent out twice to the borrower. **As of Date** field populates the "Date Verified" column under "Debentures Funded 2 or More Years" in Annual Jobs report. Must match the date on the document signed by the authorized employee of the borrower.

### Jobs – 2 Year Anniversary Examples

You've sent your 2 year anniversary letter to the borrower. Borrower returns the *signed certification October 31, 2017* stating 13 actual jobs – a loss in jobs as they previously had 15 jobs with 0 retained. How do you show this in Ventures?



- Jobs Existing at 2 Years: 13
- **Jobs Retained**: Jobs retained at the 2 year mark can never be greater than the retained at application.
- **Jobs Created**: 0 you would not list a negative number. Jobs are either created (*represented by a positive value*) or not (*represented by a 0*).
- As of Date: 10/31/2017

As of Date field populates the "Date Verified" column under "Debentures Funded 2 or More Years" in Annual Jobs report. Must match the date on the document signed by the authorized employee of the borrower.

# Jobs Created at 2 Years – Check your

| Ual                               |             |                            |             |                  |                       |   |                      |     |                       |       |            |        |
|-----------------------------------|-------------|----------------------------|-------------|------------------|-----------------------|---|----------------------|-----|-----------------------|-------|------------|--------|
| Debentures Funded 2 or More Years |             |                            |             |                  |                       | A | ctual Job Creat      | ion | Section               |       |            |        |
|                                   |             |                            |             |                  |                       |   |                      |     |                       |       | Difference |        |
|                                   |             |                            |             |                  |                       |   |                      |     |                       |       | bet.       | Public |
|                                   |             |                            |             | 503/504 Approval | Date                  |   |                      |     |                       |       | Estimate   | Policy |
|                                   | SBA Loan No | Company Name               | Date Funded | Amount           | Verified <sup>3</sup> |   | Created <sup>2</sup> |     | Retained <sup>2</sup> | Total | and Actual | Loan?  |
| 8                                 | 88888888 M  | Demo Operating Company     | 3/11/2014   | \$569,000.00     | 3/10/2016             | 1 |                      | 10  | 2                     | 12    | 5          | Yes    |
| 6                                 | 645235006   | Tenacious 22 Grill, a Penn | 3/12/2014   | \$557,000.00     | 3/30/2016             |   |                      | 6   | 0                     | 6     | -3         | Yes    |
|                                   |             |                            |             |                  |                       |   |                      |     |                       |       |            |        |

#### <u>Debentures Funded 2 or More Years – Created column</u>

- It is not recommended for negative numbers to be entered in **Jobs Created** field. Jobs have either been created (represented by a positive value) or they haven't (represented by a 0).
- We recommend you check with SBA if you're going to correct historical data.
- If you want to *check* your data we suggest running the report labeled **Job Report All Jobs in Portfolio** and clicking on the **Filters** tab

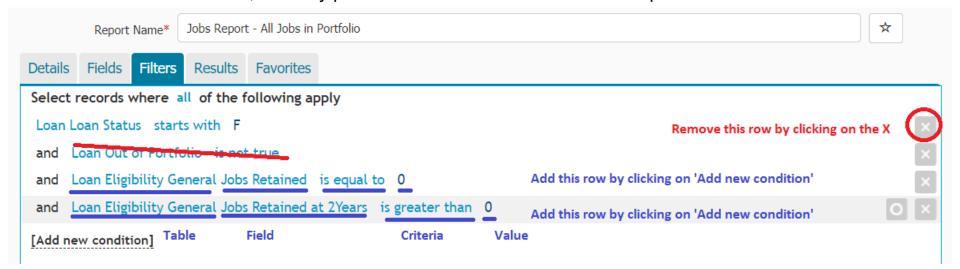


#### Jobs Retained at 2 Years – Check your data

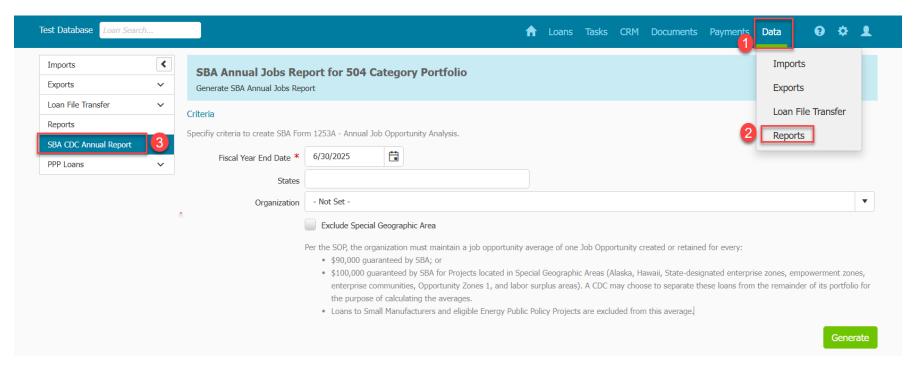
How do you verify the following on your database?

**Jobs Retained** field - Jobs retained at the 2 year mark can never be greater than the retained at application.

- We recommend you check with SBA if you're going to correct historical data.
- If you want to check your data we suggest running the report labeled Jobs Report All Jobs in Portfolio.
- Click on Reports & Letters. In the search bar on the reports page search for Jobs Report All Jobs in
  Portfolio. Click on the report name in the results to access the system provided report and temporarily alter
  it, or if you want to create a permanent version of the report below, click the copy button.
- Whether you temporarily modify the system report or create a copy, click on the Filters tab
  - <u>Add 2 filters</u> to correct any values where you may have reported Jobs Retained at the 2 year mark that are greater than the retained at application. In this *example* we're comparing against values greater than 0
  - Delete the row containing Loan Out of Portfolio by clicking on X
  - If you are working on a copied report, click save to save your changes to the filters.
  - Click the Results Tab, fil in any parameters and click Run to run the report.

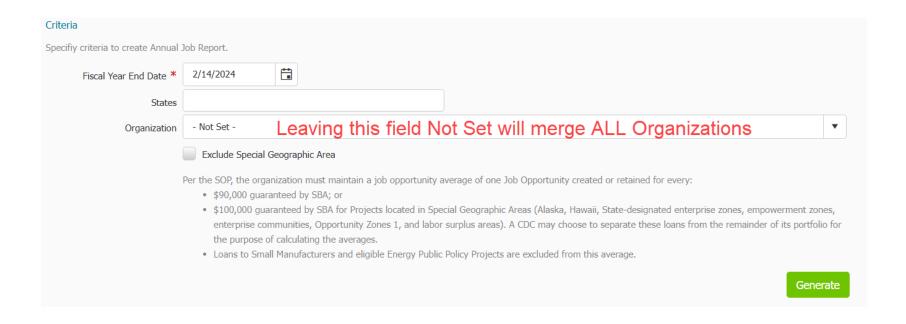


### Generating the Annual Job Report



- The Annual Job Report is located in the Data section of Ventures. Mouse over Data > Reports
- In the menu on the left click on SBA CDC Annual Report.

#### Generating the Annual Job Report - Continued



- Input the Fiscal Year End Date
- Select State(s) can be multiple selections or leave blank to gather all.
- Select your Organization although if you have multiple Organizations you can leave it blank
- Exclude Special Geographic Area. OCRM will be releasing some guidance that states that the special geo loans have to be shown in the report even if they are going to be excluded from the average. We suggest not excluding them from your report.\*
- Click on Generate

<sup>\*</sup>if a substantial portion of your portfolio is a special geographic area (Hawaii, Alaska), please contact us for assistance in excluding them from the average.

# Annual Job Report- A Note

Manufacturing and Energy Public Policy loans are part of the report however the job creation average is splitting out jobs separately for each of those as well as combo of the two.

|            |                   | an 2 Years                 |             | Estimated Job Opportunity Section |                      |                       |       |   |  |  |
|------------|-------------------|----------------------------|-------------|-----------------------------------|----------------------|-----------------------|-------|---|--|--|
|            |                   |                            |             | 504 Approval                      |                      |                       |       | Is Loan a<br>Manufactu<br>ring or<br>Energy<br>Public<br>Policy |  |  |
|            | SBA Loan No       | Borrower's Name            | Date Funded | Amount                            | Created <sup>1</sup> | Retained <sup>2</sup> | Total | Project?  |  |  |
|            | 20250715101 E     | QA Tenacious 22 Grill (OT- | 8/11/2024   | \$614,000.00                      | 8                    | 2                     | 10    | Υ   |  |  |
|            |                   | QA Plástico Amor (OT491!   | 9/14/2024   | \$1,418,000.00                    | 18                   | 3                     | 21    | Υ   |  |  |
|            | 11223456          | First Borrowers, LLC       | 1/15/2025   | \$3,000.00                        | 0                    | 0                     | 0     | N   |  |  |
|            |                   | Evergreen                  | 3/25/2025   | \$3,000.00                        | 0                    | 0                     | 0     | N   |  |  |
| otals      | 4 Loans           |                            |             | \$2,038,000.00                    | 26                   | 5                     | 31    |   |  |  |
| /anufactu  | ring              |                            | 14          | \$1,418,000.00                    | 18                   | 3                     | 21    | 6   |  |  |
| nergy      |                   |                            | 15          | \$614,000.00                      | 8                    | 2                     | 10    | 7   |  |  |
| otal for N | lanufacturing and | Energy Public Policy Proje | 16          | \$2,032,000.00                    | 26                   | 5                     | 31    | 8   |  |  |
| ther (Not  | Manufacturing or  | Energy)                    | 17          | \$6,000.00                        | 0                    | 0                     | 0     | 9   |  |  |

Debentures Funded 2 or More Years Actual Job Opportunity Section Is Loan Manufac turing or Energy 504 Approval Amount Created<sup>3</sup> Retained<sup>4</sup> Borrower's Name 20250715102 M QA EVA-05 (OT4919 Manu 3/10/2024 Y 3/16/2020 \$1,098,000.00 20250715103 Horimiya Bakery (OT4919 4/16/2022 \$473,000.00 4/10/2024 N 20250715103 4 Barrels, LLC 4/11/2023 \$24,000.00 4/11/2025 N 3 Loans \$1,595,000.00 \$1,098,000.00 Manufacturing Total for Manufacturing and Energy Public Policy Proje \$1,098,000.00 11 Other (Not Manufacturing or Energy) \$497,000.00 \*If a project can be categorized as both Manufacturing and Energy, it will be categorized solely as Manufacturing (and therefore counted only once) <sup>1</sup> Job Creation Estimates as Indicated on Application <sup>2</sup> Jobs to be Retained as Indicated on Application <sup>3</sup> Actual Job Creation as Reported on 2-Year Anniversary <sup>4</sup> Actual Job Retention as Reported on 2-Year Anniversary <sup>5</sup> Only Required for Debentures Funded in Fiscal Year 1999 or Later <sup>™</sup> Manufacturing project Energy project



SBA Loan No. Company Name Date Funded

888888888 M Demo Operating Company 3/11/2014

How does Ventures know to classify a loan as a **Manufacturer** on the Jobs report?

The determination is made by the Primary Operating Company's NAICS code of 31, 32, or 33 (MFG codes). If the company was assigned a MFG code then by default the platform selects **Small Manufacturer** in the **Eligibility** > **General** > **Public Policy** tab.

On the Jobs Report the Manufacturer would have an **M** listed next to the SBA Loan No.

| SBA Loan No   | Borrower's Name         | Date Funded |   |
|---------------|-------------------------|-------------|---|
| 20250715102 M | QA EVA-05 (OT4919 Manı  | 3/16/2020   | : |
| 20250715103   | Horimiya Bakery (OT4919 | 4/16/2022   |   |
| 3331225423 E  | 4 Barrela III C         | 2023        |   |
| _             |                         |             |   |

How does Ventures know to classify a loan as an **Energy** on the Jobs report?

On the Jobs Report the **Engergy** would have an **E** listed next to the SBA Loan No.

The determination is made by the **Eligibility > General > Public Policy** tab.

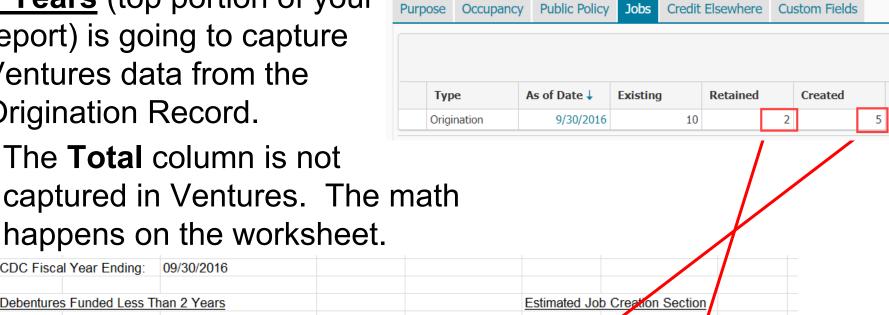


### **Annual Job Report:**

**Debentures Funded Less than** 

**2 Years** (top portion of your report) is going to capture Ventures data from the Origination Record.

The **Total** column is not



| CDC Fisca | al Year Ending: | 09/30/2016             |             |                |                      |                  | / |       |
|-----------|-----------------|------------------------|-------------|----------------|----------------------|------------------|---|-------|
|           |                 |                        |             |                |                      |                  | / |       |
| Debenture | s Funded Less T | han 2 Years            |             |                | Estimated Job        | Creation Section | / |       |
|           |                 |                        |             | 504 Approval   |                      |                  | , |       |
|           | SBA Loan No     | Company Name           | Date Funded | Amount         | Created <sup>1</sup> | Retained1        |   | Total |
|           | 999999888888    | Sunshine For You, Inc. | 1/30/2015   | \$1,065,000.00 | 5                    |                  | 2 | 7     |
|           | 1445507700      | D.                     | 0/45/0045   | A700 000 00    | ^                    |                  | ^ | ^     |

**Annual Job Report:** Debentures Funded 2 or More Years (middle portion of report) is going to capture Ventures data from the 2 Year Anniversary column.

- The Total column is not captured in Ventures. The math happens on the worksheet.
- Difference between Estimate and Actual column is using fields labeled Created in the 2 Years Record minus Created in the Origination Record(Application)
- Public Policy Loan column is looking at the Public Policy tab of your loan (Eligibility > General > Public Policy). If any are checked the column will show Yes.



### Updating Portfolio Job Ratio

After you have submitted your annual report you must <u>UPGate</u> the **Portfolio Job Ratio** located within **Administration > Organizations> Click the Organization you need to update > Fees** tab for the proper organization. This number must match the number shown on your Annual Report submitted to SBA.

The Job Ratio is listed in your Annual Jobs report. It will be bolded and labeled "\*Report As Annual Jobs Ratio"

| Job Creation Average Ca | alculation           |           | \$479,000.00          | 17+21 from above                                  |                  |
|-------------------------|----------------------|-----------|-----------------------|---|------------------|
| of Other (not Manufactu | ring or Energy) Jobs | divide by | 8                     | 9+13 from above                                   |                  |
|                         |                      |           | \$59,875.00           | *Report as Annual J                               | obs Ratio        |
| dit Organization        |                      |           |                       |   |                  |
|                         |                      |           |                       |   |                  |
|                         |                      |           |                       |   |                  |
| Company Fees Docume     | nt Settings          |           |                       |   |                  |
| Fee & Amount Defaults   |                      |           |                       |   |                  |
| SBA Guarantee Fee %     | 0.0000 %             |           | Funding Fee %         | 0.2500 %  |                  |
| Processing Fee %        | 1.5000 %             |           |                       |   |                  |
| CDC Closing Fee         | \$2,000.00           |           | Portfolio Job Ratio 🧿 | \$605,200   |                  |
|                         |                      |           |                       | Job opportunity average: 1 job amount of funding. | b created per th |
| Other Out of Pocket     | \$700.00             |           |                       |   |                  |