Mitchell County

**Entrepreneurship (E-) Community Loan Application**

Solomon Valley Economic Development

Mitchell County Community Development

In Mitchell County, we want to facilitate future growth by collaborating to build vibrant communities and celebrate success. We want to be a catalyst for economic development and foster a strong economic environment to support our businesses, as well as nurture growth and new investment in our communities.

**Mitchell County E-Community Program**

*A partnership project of*



**Background & Eligible Project**

The Mitchell County E-Community program was created through a Kansas Center for Entrepreneurship Tax Credit Program in “2020”. It is a project to encourage entrepreneurial activity in the communities of Mitchell County.

Qualifying entrepreneurial projects may include startup businesses, as well as existing business purchases and/or expansions. The maximum loan request is $45,000\*.

**E-Community Guidelines:**

**Who Qualifies:**

* Anyone wishing to start, purchase or

expand a for-profit business in Mitchell County

**Use of Funds:**

* Purchase of business equipment
* Purchase of business inventory
* Purchase of real estate
* Working capital
* Existing inventory

**Repayment:**

* Terms to be determined
	+ 0 - 5years min int of 3%
	+ 6 - 10years min int of 4%
* No penalty for early repayment

**Grant:**

* Potential grant funds may be available based solely upon the financial review boards evaluation of loan application.

**Loan Funds May *Not* Be Used For:**

* Paying off or refinancing existing debt
* Salary or owner’s draw
* Payroll taxes
* Personal vehicle
* Building renovation not tied to a specific business

**Businesses That Do Not Qualify:**

* Non-profit organizations
* Academic institutions
* Gambling concerns
* Floor planning concerns (i.e. wholesale auto inventory financing)
* Speculative concerns
* Lending or investment institutions
* Multilevel marketing or pyramid sales

**Applicants Who are Not Eligible:**

* Convicted of felony offense
* Past due on school loans
* Past due on child support payments

\*Additional funding may be available through other programs upon request.

**Mitchell County E-Community Application**

Organization/Business Name:

Contact Person, Title:

E-Mail Address:

Address:

City, State, Zip:

Phone:

Fax:

Website:

Instructions: Respond to questions by clicking inside the shaded box and begin typing. Sentences will automatically carry over to the next line; there is no need to hit the “return” key between lines. After completing a question, hit the “tab” key to move to the next line.

**Business Demographics:**

1. Small Business Name:

If company, list entity type (LLC, Sole Proprietorship, C-Corporation, S-Corporation etc.):

1. Business Primary Contact Name and Title: Telephone:

Fax Number:       Email Address:

1. Complete Mailing Address of Business:
Street Address/P.O. Box:       City and County:       Zip Code:
2. Will the business be listed in the same city as the mailing address listed above? (Yes/No)

If not, where will the business be located?

1. Company website if available:
2. In what month and year was the business established?
3. Please answer the following questions regarding the primary owner(s):

Gender (Male, Female, 50% Male/50% Female:       Minority (Yes/No):

Veteran Status (Active, Non-Active, Disabled, N/A):       Disabled (Yes/No):       `

If the primary owner(s) is a minority, please indicate their race or ethnicity:

1. What type of work was the owner involved in prior to starting a business:
2. Are the funds for a business startup, expansion, purchase of an existing business, or retention of a current business? (Start-Up, Expansion, Purchase, Retention):

Provide relevant details (length of time in business, business name, or entity changes, etc.) Details:

1. If the business currently exists, please provide last year end revenue:       Profit/Loss:
2. If the business currently exists, please provide the current FT employees (headcount including owner(s)):       and the Current PT employees (headcount):

Please list FT employees to be added as a result of the funds (headcount including owner(s):      , and if applicable, please list PT employees to be added as a result of the funds employees (headcount):

1. Provide projected sales and sales growth from this project:

**Project Funding:**

**E-Community Funding Example**

**Assume the applicant needs a total of $85,000. Also, assume the applicant has $10,000 of their own capital. Of the remaining $75,000 needed, the E-Community can provide no greater than 60% of that gap (with a max of $45,000). The other 40% minimum ($30,000 in this example) must come from a financial institution and/or a local/regional funding source. Please ask your local E-Community contact for more details.**

1. Amount of funding requested:
2. Date funding is needed (if the answer requires additional explanation, please provide it here):
3. Has the business sought traditional means of banking on this project (bank, credit unions)? (Yes/No)       If so, were they approved or denied? (Approved/Denied)       If approved, please provide the amount of the loan(s) and the name of the financial institution(s).
4. Please provide the amount of down payment required to get the bank loan:       If bank loan was denied, please explain why.
5. Amount of owner investment other than down payment on the bank loan (i.e. equipment/real estate purchase, repairs, upgrades, etc):
6. Other private capital loaned (private investors not including the business owner or bank loans already listed), and please state the source:
7. Other private capital invested (private investors who have invested money in return for equity/ownership in the company:
8. If funds are for the purchase of an existing business, please list seller carry-back amount, if any:
9. Other public capital loaned or granted, please explain (including Certified Development Companies, Regional Foundations, USDA, city/county microloan or revolving loan funds):

**Additional Business Information:**

1. Describe the type of business, its owners, and key employees (regarding employees: specifically discuss management in terms of skill set/knowledge, leadership and experience):
2. Please describe the project in detail and provide a breakdown of how the funds will be allocated for this project. Also list the names and dollar amounts of funding to be used by each source:
3. Please identify the business’ competition, where they are located and how the business will set itself apart:
4. Please provide the sales forecast, and who is the business’ target market:
5. Describe the benefits of the project to the community and the State of Kansas:
6. Does the entrepreneur or small business owner have a tax liability in arrears with the Kansas Department of Revenue or the IRS? (Yes/No)  If so, please provide details and any authorized payment details.

**MARKETING RELEASE & ANNUAL REPORTING**

**THE E-COMMUNITY PARTNERSHIP**
A NetWork Kansas Entrepreneurship Program

**Marketing Release of Information Declaration**The recipient of the E-Community funds, hereafter referred to as “Client”, agrees to the following Marketing Release of Information\* to be used by the Kansas Center for Entrepreneurship (dba NetWork Kansas) for the purpose of promoting the successful delivery of services to entrepreneurs and small business owners.

The Client agrees to provide pertinent information to NetWork Kansas for the purpose of preparing a news release for distribution to other Resource Partners and media outlets as determined by NetWork Kansas; Information for the news release will be obtained primarily from the application, corresponding documents, the Resource Partner and the Client’s web sites and previously published information, and by phone interviews with representatives of both parties;

NetWork Kansas will make accommodations to withhold all information identified by the Client as being sensitive or competitive in nature, particularly when this information is not previously published. All parties named in the release will receive a final copy of the news release prior to distribution in order to verify the accuracy of all information contained therein;

NetWork Kansas will disseminate a news release and related information to external media outlets only after the funds have been disbursed to the Client;

In addition to disseminating the resulting news release to media outlets, NetWork Kansas may distribute all or part of the news release and related information to organizations, networks and individuals via Email, NetWork Kansas and third-party Web sites, blogs, instant messaging, chat rooms, message boards, etc.

**Annual Progress Reports**By submitting an application for financial assistance from the E-Community fund, the Client agrees to provide annual progress reports until the loan is paid in full or the business closes. In the case of a grant, NetWork Kansas will collect information for three years after the grant is provided.

In order to track success of our programs, the contact listed below will supply a report annually to update job, revenue and net income/loss information. The report will be emailed to the contact listed toward the end of the tax season and must be responded to before July 31.

Name:

Phone:       Email address:

Signature of Client: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name and title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Agreed to this agreement       Date: month/day/year

**Mitchell County E-Community Application**

SCORING RUBRIC

The Financial Review Board will use this rubric to score all applications made for funds through the E-Community Program.

|  |  |  |  |
| --- | --- | --- | --- |
| **Criteria** | **Strength (1-4)** | **Weight (% of total)** | **Weighted Score** |
| Financial Soundness |  | 15 |  |
| Owner/Operator Experience |  | 10 |  |
| Business Plan |  | 10 |  |
| Projected Growth & Economic Impact |  | 25 |  |
| Business Development Partnerships |  | 10 |  |
| Quality of Life Impact |  | 10 |  |
| Owner/3rd Party Funding |  | 10 |  |
| Community Commitment |  | 10 |  |
| TOTAL |  | 100% |  |

RUBRIC GUIDELINES

SCALE:

4 = Exceeds expectations

3= Meets expectations

2= Partially meets expectations

1= Does not meet expectations

GLOSSARY OF TERMS:

**Financial Soundness** – This will be determined by examining applicant’s financial statements

**Owner/Operator Experience** – This will include a review of resumes and references as well as the interview process. One resume and three references will be required with each application

**Business Plan** – All business plans should include key elements such as:

* Executive Summary
* Business Description
* Products or Services
* Project Financing
* Management
* Ownership
* Marketing Strategy
* Description of Major & Prospective Customers
* Description of Market & Competition
* Financial Information

**Projected Growth & Economic Impact** – This will be based on applicant’s identified long-term and short-term goals and financial information.

**Business Development Partnerships** – We will be looking for applicant’s use of local/regional NetWork Kansas resource partners during the planning and implementation process (i.e. working with Solomon Valley Economic Development, North Central Regional Planning Commission Business Finance Program, Kansas Small Business Development Center, Kansas Department of Commerce Business Development, and others available to help entrepreneurs. Resource partner list found at [www.networkkansas.com](http://www.networkkansas.com))

**Quality of Life Impact** – These questions will help determine the Quality of Life score:

* Does the business provide an unfulfilled need within the community/county?
* Does the business expand upon current business offerings?
* Does the business provide jobs for highly skilled and or educated employees?
* Will the business enrich the community with aesthetically and environmentally friendly facilities?

**Owner/3rd Party Funding** – This will be based on information in the applicant’s financial statements.

**Community Commitment** – Does or will the business participate in local organizations and projects through membership, volunteerism or financial contributions?

Is applicant a member of the Chamber of Commerce?

**Mitchell County E-Community Application Process**

(a) Applicants will be required to complete the E-Community Application and return the application to:

Solomon Valley Economic Development

209 E Main St, Suite 104,

Beloit, KS 67420

-or- email to ebenedick@beloitks.org

(b) Applications are available on the Solomon Valley Economic Development website (<https://www.mitchellcountykansas.com/e-community.html>) or at the Solomon Valley Economic Development office located at Porter House Apartments, 209 E Main St, Suite 104, Beloit, KS 67420.

(c) Upon receipt of an E-Community Application, the E-Community Financial Review Board will meet (on an as needed basis) to review the application.

(d) After coordinating an application review meeting, the Financial Review Board will schedule and conduct an interview with applicant, if applicable.

(e) After reviewing the application, the Financial Review Board must approve or reject all applications with a majority vote (4 members). A formal letter of acceptance or rejection will be sent to the applicant with the contingency that matching funding is secured through E-Community (60%) and another partner (40%). Communication to the full E-Community team will be made notifying them of the status of the application.

(f) An E-Community media release will be created announcing acceptance of applicant and will include business summary, amount to be awarded, funding partners, NetWork Kansas partners assisting with project, and description of how funds will be utilized to add resources, jobs, increase tax revenue, and/or improve the quality of life in the community.

(g) NetWork Kansas will administer the loan.

**Application Checklist – Be sure you have included/attached the following to your completed application.**

\_\_\_Financial Statement

\_\_\_Applicant Resume

\_\_\_Three Letters of References

\_\_\_Bank Disclosure Agreement

\_\_\_Business Plan (New Business Only)

\_\_\_Network Kansas Media Release Form

\_\_\_Proof of Matching Funds Letter from

 Bank/Loan Provider