

CHEROKEE COUNTY

Entrepreneurship (E-) Community Loan Application



Cherokee County, Kansas
Economic Development

July 2017

Cherokee County E-Community Program

A partnership project of

Cherokee County Economic Development Corporation
201 E. Pine
P.O. Box 432
Columbus, KS 66725
620-762-0717



Background & Eligible Project

The Cherokee County E-Community program was created through a Kansas Center for Entrepreneurship Tax Credit Program in 2014. It is a project to encourage entrepreneurial activity in Cherokee County.

Qualifying entrepreneurial projects may include startup businesses, as well as existing business purchases and/or expansions.

The minimum loan request is \$5,000 with a \$45,000 maximum amount available per applicant business (subject to availability). Please see the E-Community funding example on page 4 for more details.

E-Community Guidelines:

Who Qualifies:

- Anyone wishing to start, purchase or expand a for-profit business in Cherokee County

Use of Funds:

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

Fees:

- \$115.00 non-refundable application fee

Repayment:

- Terms to be determined
- No penalty for early repayment

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

Cherokee County E-Community Application

Cherokee County Economic Development Corporation
201 E. Pine
P.O. Box 432
Columbus, KS 66725
www.cherokeecountykansas.com

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620-762-0717

Applicant Information (Please Print)

- 1. Business name: _____

- 2. Entity type (i.e. LLC, sole proprietorship, etc.) _____

- 3. Primary Contact and Title: _____

- 4. Mailing Address: _____

- 5. Physical Address of Business: _____

- 6. Phone Number: _____ Cell Number: _____

- 7. Fax Number: _____ Email: _____

- 8. Business website: _____

- 9. Does the entrepreneur or business have a tax liability in arrears with the Kansas Department of Revenue or the IRS? _____

- 10. Has the business, or any principals of the business, been involved in bankruptcy or insolvency proceedings? If yes, please give date and explanation.

- 12. Are the funds for a business startup, business purchase, the expansion of an existing business, or something else? Please provide relevant details (length of time in business, business name or entity changes, number of jobs to be created or retained, etc.)

13. Describe the business, its owner and key employees (detailed information should be made available in the business plan): _____

Requested Funding Information

E-Community Funding Example

Assume the applicant needs a total of \$60,000. Also, assume the applicant has \$10,000 of their own capital. Of the remaining \$50,000 needed, the E-Community can provide no greater than 60% of that gap (with a max of \$45,000). The other 40% minimum 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 funds requested from the Cherokee County E-Community program for this project?:

2. When are the funds needed? Please provide an explanation if the date is important. _____

3. Amount of funds being provided by financial institutions (banks, credit unions)? Please provide the name of financial institution: _____

4. Amount of funds being provided by the entrepreneur or small business (down payment or other investment into the business for this project)?: _____

5. Amount of funds being provided by any local or regional funding sources (city/county revolving loan funds, microloan, certified development companies, Kansas Main Street, other)?:

6. Describe any additional funding that will be utilized in this project (other investors, equity injections, etc.): _____

7. Describe the project in detail and provide a breakdown of how the funds will be used for this project (i.e. building purchase, land acquisition, equipment, inventory purchase, payoff bank loan, working capital, construction, etc.). _____

8. Provide projected sales, sales growth and any projected employment growth from this project (detailed information should be made available in the business plan): _____

9. List other NetWork Kansas resource partners that have or will assist with this project and their role or contribution: _____

10. Are there any other comments you would add as to why you need this funding and how it will benefit the county and community? _____

Certifications

Please read the following and sign the Application Form below. All owners, officers, partners, members and stockholders must sign this application. Signing this application serves as each person's express permission that the Cherokee County E-Community may obtain the person's credit report, as well as authorization and confirmation of the following statements.

By signing below, I authorize the Cherokee County E-Community, and its assigned agents, to obtain a credit report on me through the credit reporting agency of its choice and to make such other investigations as deemed necessary. I understand that the Cherokee County E-Community may verify, from all and any sources, all information provided. I understand that the Cherokee County E-Community may call prior lenders and creditors to verify credit information, as well as answer questions others may ask about my credit record with the Cherokee County E-Community. I authorize the Cherokee County E-Community to keep this application whether or not my request for credit is approved.

The information in this application is provided for the purpose of applying for funds under the Cherokee County E-Community Loan Program. The information is true and accurate to the best of my knowledge. I understand that personal and/or business information may be requested pursuant to this loan application, and I hereby give my consent for such information to be provided to the Cherokee County E-Community. I also understand the Cherokee County E-Community retains the sole decision as to whether this loan application is approved, disapproved, or modified. It is my right to accept or decline the loan amount, the rate, and the terms approved by the Cherokee County E-Community loan committee.

Name (printed) _____ Signature: _____ Date _____

Name (printed) _____ Signature: _____ Date _____

Name (printed) _____ Signature: _____ Date _____

Marketing Release of Information Declaration

By submitting an application for financial assistance from the Cherokee County E-Community fund, the prospective grant or loan recipient, hereafter referred to as "Client", agree 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.

Upon receiving notification that the Cherokee County E-Community has selected the Client to receive financial assistance, 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 loan or grant is approved and closed by the Resource Partner;

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.

By submitting an application for financial assistance from the Cherokee County E-Community fund, the Client agrees to provide annual progress reports until the loan is paid in full or the business closes.

In order to track the success of our programs, NetWork Kansas will contact the name listed below annually to update job, revenue and net income/loss information.

Please provide the contact information of the person we should get in touch with to obtain these updates. The contact may be the Client, Client's accountant, or the NetWork Kansas Resource Partner.

Name: _____ Title: _____

Phone: _____ Email: _____

Mailing Address: _____

Which method does this person prefer to be contacted for the progress report (Email, U.S.Postal Service, Phone call)? _____

Final Loan or grant recipient (Client)signature: _____

Printed name and title: _____

Date: _____

I have read and agree to the terms described in the Marketing Release of Information Declaration.

Signature of Authorized Business Representative

Date

Cherokee County E- Community Application

SCORING RUBRIC

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

Criteria	Strength (1-4)	Weight (% of total)	Weighted Score
Financial Soundness		25	
Owner/Operator Experience		20	
Business Plan		25	
Owner/3 rd Party Funding		25	
Community Commitment		5	
TOTAL		100	

SCALE

4 = Exceeds expectations
2= Partially meets expectations

3 = 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
- Short- and Long-Term Goals
- Project Financing
- Management
- Ownership
- Marketing Strategy
- Description of Major & Prospective Customers
- Description of Market & Competition
- Financial Projections

Contact the Kansas Small Business Development Center at Pittsburg State University for assistance in developing your business plan, 620-235-4920.

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?

Cherokee County E-Community Application Process

- (a) Applicants will be required to complete E-Community Application and return to the Cherokee County Economic Development Corporation, P.O. Box 432, Columbus, KS 66725, along with their non-refundable application fee.
- (b) Applications are available on our website www.cherokeecountykansas.com (under Taxes & Incentives) and at the Cherokee County Economic Development Corporation, 201 E. Pine, Columbus, KS 66725.
- (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.
- (e) After reviewing the application, the Financial Review Board must approve or reject all applications with a majority vote. 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-Team will be made notifying them as the status of the application.
- (f) An E-Team 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) The Southeast Kansas Prosperity Foundation will administer the loan for a fee of \$300 to be paid at the time of loan closing. Additional fees for title work, UCC filing, mortgage registration and recording may also apply.

Application Checklist

Be sure to include the following with your completed application:

- 1) \$115 Nonrefundable Application Fee
- 2) Business Plan including Financial Projections (1 year projection of profit & loss by month and 3 years of annual projections)
- 3) Financial Statements (if an existing business)
 - Income statement and balance sheet from within the past 90 days
 - Income statements, balance sheets, and complete business tax returns for the two (2) prior year ends
 - Current list of business obligations
- 4) Applicant Resume
- 5) Personal Financial Statement from within the past 90 days
- 6) Three Letters of Reference
- 7) Other documents relevant to the project
 - Proposed purchase agreement
 - Existing or proposed franchise agreement
 - Existing or proposed lease agreement
 - Real estate contract
 - Contractor bids
 - Appraisals and environmental reports
 - Partnership agreement
 - Articles of incorporation & bylaws