



Guidelines for Business Expansion and Development Revolving Loan Fund **(BE&D RLF)** updated 2016

Purpose: *The loan may be used to start, purchase, or relocate a business to Smith Center, KS that does not require the creation of new jobs. The BE&D RLF is not intended to compete with banks as the primary lender. The interest rate is 0% for the first two years and 5% thereafter.*

1. Potential Smith Center Economic Development (SCED) Business Expansion and Development Revolving Loan Fund (BE&D RLF) loan applicants must meet with the Director to outline project and request an application.
2. Retail Businesses must be located in Smith Center
 - a. Home-based businesses are eligible if the home is in Smith Center
 - b. The business must remain inside the Smith Center, KS city limits. If the business is moved outside the city limits, the loan is payable in full.
3. Businesses creating primary jobs may be located within reasonable proximity to the city limits. (Refers to industries that produce more goods and services than can be consumed by the local economy, and therefore export a significant portion of them. A major benefit of primary jobs is that external funds are infused into the local economy, and therefore have a substantial impact on output, employment, and wages. A common example is manufacturing.)
4. Applicant will meet with Kansas Small Business Development Center (KSBDC) to develop a business plan with income, expense and cash flow projections and a marketing plan. The completed plans must accompany the application. <http://www.fhsu.edu/ksbdc/Consultation/>
5. Loan may be used for **tangible items** such as, but not limited to:
 - purchase an existing business
 - purchase property on which to build
 - construct, renovate, or expand an existing building
 - purchase equipment, tools or inventory
6. SCED may accept second collateral position depending on proposal. **The BE&D RLF is not intended to compete with banks as the primary lender.**
7. The application must be complete for consideration. All required documents and any additional requested verification will be attached to the application.
8. The completed application will be submitted to the SCED Director 2 weeks before presenting the loan request to the SCED board. The director will provide printed copies to board members for consideration.
9. Successful Applicants must insure property with full coverage for replacement value of building, equipment, tools and inventory purchased with the loan. SCED will be listed as lien holder on the insurance policy.

Required Documents:

Project Financial Need Narrative

Explain why you need the BE&D RL. Describe why the borrower or the principals cannot, or will not, provide additional funds from their own sources. (Satisfactory reasons include the need to reserve cash for working capital, the exhaustion of resources, an inadequate rate of return, etc.)

Letters of commitment or rejection from other sources of funding

KSBDK Business Plan with income, expense & cash flow projections & marketing plan
<http://www.fhsu.edu/ksbdc/Consultation/>

Copies of last 2 years income tax returns

Financial Statements - Assets & Liabilities

Signed personal guarantee(s)

Copy of Annual Credit Report (available at no charge)

For more information on obtaining your free credit report, visit www.annualcreditreport.com or call 877-322-8228.

Documents that may be requested depending on proposal:

Copy of Proposed Purchase Agreement

Copy of Building Inspection Report

Copy of Property Appraisals

Copy of Real Estate Contracts

Copy of Existing &/or Proposed Lease Agreement

Copy of Existing &/or Proposed Franchise Agreement

Copy of Partnership Agreement

Copy of Articles of Organization

Incentives Request Form

Other verification may be requested



APPLICANT

Name of Entity _____
Type of Business _____
Address _____
Contact Person _____ Title _____
Home Phone _____ Work Phone _____ Cell Phone _____
Email address _____
Web address _____

TYPE OF ENTITY

_____ Sole Proprietorship
_____ General Partnership
_____ Limited Partnership
_____ Corporation (S or C)
_____ LLC (# of Members)
Date Established _____
Employer's Federal Identification No. _____
Employer's State Identification _____

OWNERSHIP OF APPLICANT COMPANY

List below all owners, partners or stockholders. Attach additional sheet if necessary.

Name _____ Name _____
Home Address _____ Home Address _____
City _____ City _____
State _____ Zip _____ State _____ Zip _____
Home Telephone _____ Home Telephone _____
Cell Phone _____ Cell Phone _____
Email address _____ Email address _____
Percent of Ownership _____ Percent of Ownership _____

LOAN WILL BE USED FOR

_____ Purchase an established business
_____ Purchase property on which to build
_____ Purchase equipment, tools or inventory
_____ Other _____
_____ Expansion or modernization of current facilities
_____ Start a new business
_____ Expansion or update services currently offered

NOTE: Ineligible Activities: Speculative land purchases, projects of residential nature, 100% working capital loans.

HAVE YOU ATTEMPTED TO SECURE A BANK LOAN FOR THIS PROJECT?

HAVE YOU EVER DEFAULTED ON A LOAN OR FILED FOR BANKRUPTCY? Please provide details and dates.

HAVE YOU COMPLETED CONSULTATIONS WITH KANSAS SMALL BUSINESS DEVELOPMENT CENTER (KSBDC)?

Dates:

FINANCIAL REFERENCES

INSURANCE COMPANY

Name of Company _____

Contact _____

Address _____

City, State, Zip _____

Telephone _____

BANK REFERENCES

BUSINESS

Name on Account _____

Bank _____

Address _____

City, State, Zip _____

Telephone _____

PERSONAL

Name on Account _____

Bank _____

Address _____

City, State, Zip _____

Telephone _____

PROFESSIONAL ASSISTANCE

Attorney's Name _____

Firm _____

Address _____

City, State, Zip _____

Telephone _____

Accountant's Name _____

Firm _____

Address _____

City, State, Zip _____

Telephone _____

ESTIMATED PROJECT COSTS

Working Capital

Advertising/Promotion	\$	_____
Deposits	\$	_____
Cash, Operating	\$	_____
Fixup (facility)	\$	_____
Fixup (equipment)	\$	_____
Inspections	\$	_____
Insurance	\$	_____
Licenses, permits	\$	_____
Professional Fees	\$	_____
Rent	\$	_____
Services	\$	_____
Subscriptions, dues	\$	_____
Supplies	\$	_____
Wages	\$	_____
Wages – payroll taxes	\$	_____
Other	\$	_____
Unexpected, contingency	\$	_____
TOTAL Working Capital		\$ _____

Inventory

Existing inventory	\$	_____
New inventory	\$	_____
TOTAL inventory		\$ _____

Furniture & Fixtures

Existing F & F	\$	_____
New F & F	\$	_____
TOTAL F & F		\$ _____

Equipment

Existing equipment	\$	_____
New equipment	\$	_____
Freight & installation (new)	\$	_____
TOTAL Equipment		\$ _____

ESTIMATED PROJECT COSTS

Building & Land

Land \$ _____
Building \$ _____
Renovation \$ _____
Site improvement \$ _____
TOTAL Building & Land \$ _____

Signage \$ _____
Vehicles/Trailers \$ _____
Intangibles \$ _____

TOTAL ESTIMATED PROJECT COST \$ _____

PROPOSED FUNDING

AMOUNT

A. Cash from personal resources or from business \$ _____
B. Other sources of funds (name) _____ \$ _____
C. Other sources of funds (name) _____ \$ _____
D. Other sources of funds (name) _____ \$ _____
SUBTOTALS \$ _____
E. BE&D RLF requested \$ _____
TOTAL FOR PROJECT \$ _____

ADDITIONAL INFORMATION ABOUT OTHER SOURCES OF FUNDS

B. RATE _____ TERM _____ REPAYMENT SCHEDULE _____
COLLATERAL _____

C. RATE _____ TERM _____ REPAYMENT SCHEDULE _____
COLLATERAL _____

D. Rate _____ TERM _____ REPAYMENT SCHEDULE _____

BE&D RLF RATE 0% for two years, 5% thereafter
TERM (requested) _____ REPAYMENT SCHEDULE (requested) _____
COLLATERAL _____

SIGNATURES: Declare that any statement in the application and in its required attachments or information provided herein is true and complete in substance and in fact.

Name of Business _____

Name _____ Title _____ Date _____

Name _____ Title _____ Date _____

List of required documents attached:

Yes No N/A

___ ___ ___ Project Financial Need Narrative

Comments: _____

___ ___ ___ Letters of commitment or rejection from other sources of funding

Comments: _____

___ ___ ___ KSBDC Business Plan with income, expense & cash flow projections & marketing plan

Comments: _____

___ ___ ___ Copies of last 2 years income tax returns

Comments: _____

___ ___ ___ Financial Statements - Assets & Liabilities

Comments: _____

___ ___ ___ Signed personal guarantee(s)

Comments: _____

___ ___ ___ Copy of Annual Credit Report

Comments: _____

List of additional requested documents attached:

Yes No N/A

___ ___ ___ Copy of Proposed Purchase Agreement

Comments: _____

___ ___ ___ Copy of Building Inspection Report

Comments: _____

___ ___ ___ Copy of Property Appraisals

Comments: _____

___ ___ ___ Copy of Real Estate Contracts

Comments: _____

___ ___ ___ Copy of Existing &/or Proposed Lease Agreement

Comments: _____

___ ___ ___ Copy of Existing &/or Proposed Franchise Agreement

Comments: _____

___ ___ ___ Copy of Partnership Agreement

Comments: _____

___ ___ ___ Copy of Articles of Organization

Comments: _____

___ ___ ___ Incentives Request Form

Comments: _____

___ ___ ___ Other verification requested _____

Comments: _____

HISTORY AND DESCRIPTION OF PROJECT/BUSINESS *(attach additional sheet if necessary)*

Compile the following information before your KSBDC consultation to streamline the process.

Use as a first draft for the written business plan

IS THE PROJECT A START UP, EXPANSION OR RELOCATION OF YOUR BUSINESS?

PRODUCT LINE *(Type of product(s) sold, manufactured or service provided)*

NUMBER OF EMPLOYEES

Existing _____ New _____ Retained _____ Skilled _____ Semi-Skilled _____

OPERATION

How has the company changed recently?

List key people involved in the operation of the company and their responsibilities.

If the company is a franchise, how does the franchise impact the operations?

How often are the financials prepared and by whom? Who reviews the financials?

Are the products and key people insured?

What provision do you have for health, life and disability insurance?

Are there any requirements for licensing, permits or zoning? If so are they in place?

MARKETS

What markets are targeted or served?

What types of marketing programs are/will be used?

COMPETITION

Who are the main competitors? How do you deal with competitors?

What sets you apart from the competition?

PROFESSIONAL ASSOCIATIONS

List associations you and/or your company belong to.

If your company does not currently, do you or your company plan to be associated with any organizations in the future?

Are there any conferences or trade shows you attend or participate in?

Are there any trade publications you subscribe to?

Individual Personal Guaranty

DATED: _____ 20__

I, _____
(Individual's Name)

residing at _____
(Individual's personal address, city, state, zip)

for and in consideration of _____
(Business Creditor's Name)

extending credit to _____
(Name of Credit Applicant Company)

(hereafter referred to as the "Company") of which and in reliance on any guaranty of said credit,
I _____,
(Individual's Name)

hereby personally guarantee to you the payment of any obligation of the Company and I hereby agree to bind myself to pay you on demand any sum which may become due to you by the Company whenever the Company shall fail to pay the same. It is understood that this guaranty shall be a continuing and irrevocable guaranty, and indemnity for such indebtedness of the Company. I do hereby waive notice of default, nonpayment and notice thereof and consent to any modification or renewal of the credit agreement hereby guaranteed. The Officer(s) of the Company must sign below as individuals – signatures only, no corporate titles.

Social Security Number _____

Signature _____

Print Individual's Name _____

Dated _____

Witness signature _____

Print Witness Name _____

Address _____

Dated _____

Delivery/Receipt – any signed document transmitted by facsimile machine (fax) shall be treated in all manner and respects, as an original document and the signature of any Party upon a document transmitted by fax shall be considered an original signature.

<h1>Incentives Request Form</h1>	Date
----------------------------------	------

Mr/Mrs/Ms	First Name	Last Name	Title
Organization/Project Name		NAICS	FEIN
Address		City	County
			Phone

Project Detail

Number of Existing Jobs		Average Wage Existing Jobs		Median Wage Existing Jobs	
Retained Jobs (Must be retained for 5 years)		Average Wage Retained Jobs		Median Wage Retained Jobs	
New Jobs Yr 1	New Jobs Yr 2	New Jobs Yr 3	New Jobs Yr 4	New Jobs Yr 5	
Median Wage Yr 1	Median Wage Yr 2	Median Wage Yr 3	Median Wage Yr 4	Median Wage Yr 5	
Average Wage Yr 1	Average Wage Yr 2	Average Wage Yr 3	Average Wage Yr 4	Average Wage Yr 5	
Does Company provide "adequate" health coverage? And pay at least 50% of Insurance Premium for FTE? (Minimum coverage will include hospital care, physician care, mental health care, substance abuse treatment, prenatal and postnatal care, and prescription drugs.)				Yes	No
Is Company delinquent on any Federal, State or Local tax liabilities?				Yes	No
Is Company under bankruptcy protection?				Yes	No
Is the Company relocating operations from outside the state?				Yes	No
Is the Company locating new operations in the state as a;		Start-up	Out-of-state Expansion	Other	
Is the Company expanding operations of an existing Kansas company?				Yes	No
Retaining existing Kansas jobs? (applicable during 1/1/2013 through 12/31/2014 only)				Yes	No
Total Proposed Capital Investment		Equipment Cost		Building Cost	
Is project considering out of state location?		Yes	No	If yes, list state(s)	

Final Verification Checklist - for Business Expansion & Development Revolving Loan Fund
(BE&D RLF) updated 2016

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