

E-Community Loan Application



JUNCTION CITY | ECONOMIC
GEARY COUNTY | DEVELOPMENT
K A N S A S | COMMISSION

Junction City/Geary County Economic Development Commission

222 W 6th Street
PO Box 26
Junction City, KS 66441

EDC@jcacc.org

785-762-1976

A partnership project of



Geary County E-Community Loan Application

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

Qualifying entrepreneurial projects may include startup businesses, as well as existing business purchases and/or expansions. **The E-Community loan require at least 40 percent of the amount being financed to be provided by a bank or similar source.** This loan program capped its involvement at a 60 percent investment.

The minimum loan request is \$5,000 with a \$50,000 maximum amount available per applicant business. Please see the E-Community funding example below and on page 4 for more details.

E-Community Guidelines:

Who Qualifies:

- Anyone wishing to start, purchase or expand a for-profit business in Geary County, Kansas.

The overall project must include a 10% equity investment.

Loan Funds May Not Be Used For:

- Paying off or refinancing existing debt
- Salary or owner's draw
- Taxes
- Personal vehicle
- Building renovation not tied to a specific business

Use of Funds:

- Purchase of business equipment
- Purchase of business inventory
- Purchase of real estate or an existing business
- Working capital

Businesses That Do Not Qualify:

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

Fees:

- \$75.00 non-refundable application fee

Repayment:

- Terms to be determined
- No penalty for early repayment

Applicants Who are Not Eligible:

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

Funding Example:

Assume the applicant needs a total of \$60,000. Also, assume the applicant is providing \$10,000 of their own capital. Of the remaining \$50,000 needed, the E-Community can provide no greater than 60% of that gap (in this case, the E-Community funds could be no more than \$30,000 of the \$50,000 needed). The other 40% minimum (in this case, \$20,000 of the \$50,000 needed) must come from a financial institution (defined as a bank or credit union) and/or a local/regional public source of capital (defined as city/county revolving loan fund, microloan, Certified Development Company funds, USDA, IWW Main Street, Community Foundation). In this way, the E-Community funds "match" other loans. *Note: A line of credit at a bank can count as the match, however, the only amount that can qualify as the match is the amount that is drawn down at the time of the E-Community loan application. (This tends to cause confusion so please ask for further explanation).*

For more information contact Mickey Fornaro-Dean – Director of Economic Development

Junction City/Geary County Economic Development Commission - 222 W 6th St, Junction City, KS 66441 - 785-762-1976 - edc@jcacc.org

Geary County E-Community Loan Application Process

- a) Applicants will be required to complete and submit this E-Community Loan Application, along with the non-refundable application fee of \$75 and required documentation for the attached checklist. Applications can be emailed to edc@jcacc.org or delivered to the Junction City/Geary County Economic Development Office, 222 W 6th St, Junction City, KS 66441.
- b) As part of the submission process, the applicant may be asked to attend a free consultation with Junction City/Geary County Economic Development Commission (JCGCEDC) staff to review the information and verify that all documentation has been provided.
- c) Information will be shared with our SBDC partners for a preliminary loan assessment to determine loan feasibility. Based on that input, the applicant will be given an opportunity to determine if they wish to proceed with the application.
- d) The SBDC will provide a written recommendation to the Financial Review Committee.
- e) Upon receipt of the written recommendation from the SBDC, the E-Community Financial Review Committee will meet to review the application (meeting may be delayed until next scheduled Financial Review Committee meeting, which is usually held monthly).
- f) After the application review meeting, the Financial Review Committee may choose to schedule and conduct an interview with the applicant.
- g) The Financial Review Committee must approve or reject all applications with a majority vote. At least three members of the committee must participate in the vote.
- h) Once the vote has occurred, a formal letter of acceptance or rejection will be sent to the applicant noting that the offer is contingent upon securing the proposed matching loan. Notice of the action will also be provided to members of the Financial Review Committee and the E-Community Leadership Team.
- i) A media release will be created announcing acceptance of the applicant. (See attached Marketing Release of Information Declaration for details).
- j) During the first year of the loan, the applicant must meet at least quarterly with a representative of the Small Business Development Center for a business consultation which will include a review of the firm's financial statements.

Geary County E-Community Application

Applicant Information

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. Cell Number: _____ Secondary Number: _____
7. Email: _____
8. Business EIN: _____ Business Website: _____
9. 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, etc.):

10. If an existing business, provide details of how long the business has existed, entity changes, etc:

11. What type of business is receiving the funds (restaurant, manufacturing, retail, etc)?

12. Does the entrepreneur or business have a tax liability in arrears with any taxing unity?

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

14. 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.

15. Amount of funds requested from the E-Community program for this project: _____
16. When are the funds needed? Please provide an explanation if the date is important:
17. Amount of funds being provided by financial institutions (banks, credit unions)? If yes, please provide the name of financial institution:
18. Amount of funds being provided by the entrepreneur or small business (equity investment for this project):
19. 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):
20. Describe any additional funding that will be utilized in this project (other investors, equity injections, etc.):
21. 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.):

22. Provide summary of projected sales, sales growth and any project employment growth from this project (detailed information should be made available in the business plan):
23. List other NetWork Kansas resource partners that have or will assist with this project and their role of contribution:
24. Are there any other comments you would add as to why you need this funding and how it benefits the county and community?

I understand that the submission of an application for financing does not mean that the organization will finance or provide any financial services whatsoever. I further understand that approval to finance will come only after all supporting forms have been signed and approved by the Junction City/Geary County Economic Development Commission (JGCEDC) and NetWork Kansas.

I certify the accuracy of the information provided and understand that the JGCEDC and NetWork Kansas will be relying on the accuracy of the information when evaluating the company's application. By submitting this application, the company and the manager(s) signing on the Company's behalf below, each authorize the organizations and their service providers to request all credit reports, corporately and individually, and to use any credit bureau or business to verify the validity and accuracy of all information contained herein. I consent to the JGCEDC and NetWork Kansas filing of one or more Initial Financing Statements against me or the undersigned company in any or all Uniform Commercial Code jurisdictions, which reflect the collateral as "all assets".

I understand that my signature below authorizes the JGCEDC and NetWork Kansas to discuss my loan application and documentation with their partners to better serve me.

I understand that my signature below authorize the JGCEDC, NetWork Kansas and their service providers to run an OFAC (Office of Foreign Assets Control) search in order to comply with the Department of Treasury.

Signature of borrower:	Date:
Print name of borrower:	
Signature of co-borrower:	Date:
Print name of co-borrower:	

Non-Discrimination Statement

The JGCEDC, NetWork Kansas and their service providers will not and shall not discriminate on the basis of race, color, religion, age, national origin, disability, marital status, sexual orientation or military status, in any of its lending activities.

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 and title of reports contact: _____

Phone: _____ Email address: _____

Signature of Client: _____

Printed Name and title: _____

Date: _____

Geary County E-Community Loan Required Documents/Information Checklist

	Signed application and \$75 application fee (Money order or check made out to JCGCEDC)
	Applicant resume
	Cover Letter (Briefly describe your business, the amount you are requesting and the projected use of funds and anything else you think the review board needs to know)
	Three letters of reference
	Tax clearance report (new business – personal report; existing business – business report)
	Personal credit report (less than 30 days old)
	Most recent business bank statements (all pages for all account, including most recent month)
	Personal financial statement
	Financial projections including sources and uses of funds
	Business Plan
	Proof of equity investment
	Proof of financial commitment from all private and public providers of capital. (Proof must include: disbursement date, name of financial institution and amount).
	Proof of business ownership: Articles of Incorporation or Borrowing Resolution (Corporations or LLC), Assumed Business Name/DBA (Sole Prop), Partnership Agreement and DBA (Partnership)
	Existing business year-to-date profit and loss statement and a balance sheet
	Business lease agreement (if there is a storefront)
	If existing business has outstanding taxes, payment plan agreement, including current balance and payment history
	For any vehicle pledged as collateral, a copy of vehicle title or registration and insurance if title is not available.
	If the loan purpose is for business acquisition, a buy/sell agreement, prior year taxes, current year's financials and most recent business bank statement for business being purchased
	Copy of current and future debt schedule
	Business tax return (signed, all schedules needed (if not available, personal tax return)

**Additional documentation may be requested from the applicant if the Financial Review Committee determines it is necessary.*

Questions and applications can be directed to the EDC:

Phone: 785-762-1976 ~ Email: edc@jcacc.org ~ Address: 222 W 6th Street, Junction City, KS 66441