Reno County E-Partners

Entrepreneurship (E-) Community Loan Application

Local Participating Organizations
Quest Center for Entrepreneurs, Downtown Hutchinson Revitalization Partnership, Hutchinson/Reno County Chamber of Commerce, Buhler Economic Development, Haven Economic Development, South Hutchinson Chamber of Commerce, Hutchinson Community Foundation, K96 Corridor Association, Reno County.

Reno County E-Partners Vision
To strengthen our county-wide environment that encourages and supports entrepreneurship and small business expansion

Date _________________

A partnership project of
Reno County E-Partners
1 East 9th Ave. Hutchinson, Kansas, 67501
620-665-8468
Background & Eligible Project
The Reno County E-Partners E-Community program was created through a Kansas Center for Entrepreneurship Tax Credit Program in 2012. It is a project to encourage entrepreneurial activity in the communities of Reno County.

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

The minimum loan request is $500 with a $45,000 maximum amount available per applicant business. 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 Reno County.

Use of Funds:
- Purchase of business equipment
- Purchase of business inventory
- Purchase of real estate
- Working capital
- Existing inventory
- Purchase of a business

Fees:
- no application fee
- Closing fees only for actual cost of applicable collateral notice

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
Reno County E-Community Application

Organization Name: Reno County E-Partners
Contact Person: David Dukart
Title: Director, Quest Center for Entrepreneurs
Address: 1 East 9th Ave.
City, State, Zip: Hutchinson, KS 67501
Office Telephone: 620-665-8468 Fax: 620-665-7619
Email address: dukartd@hutchcc.edu
Website: http://www.hutchcc.edu/business-industry/quest-center
Facebook: www.facebook.com/HutchQuest

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. Has any federal, state, or local taxing authority claimed that the entrepreneur made a
delinquent filing or owes an outstanding tax liability? If yes, please provide the date and an
explanation._________________________________________________________________
_________________________________________________________________________
10. Has the business, or any principals of the business, been involved in bankruptcy or insolvency proceedings? If yes, please give date and explanation.

______________________________________________________________________________

11. Applicant will provide a personal financial sheet.

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, 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 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)? If yes, please provide the name, address, telephone number and contact person 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/state revolving loan funds, microloan, certified development companies, other):
______________________________________________________________________________
______________________________________________________________________________

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

7. Business plan will include a detailed description of proposed project. 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.).

Building Purchase: Location________________
______________________________________________________________________________

Building Lease: Location________________
______________________________________________________________________________

Land Acquisition: Location________________
______________________________________________________________________________

Working Capital Purpose________________
______________________________________________________________________________

Equipment Purchase: (include list if not in business plan) _________________________________
Inventory Purchase: (include inventory date and approximate amount with list)
______________________________________________________________________________

Construction/renovation __________________
Business acquisition not covered by real or chattel property____________________________
Other: ________________________________

8. Provide projected sales, sales growth and any project employment growth from this project (detailed information should be made available in the business plan):
<table>
<thead>
<tr>
<th>Year</th>
<th>Gross sales</th>
<th>Sales Growth</th>
<th>Net Profit</th>
<th>EBITD</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>End Year 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End Year 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End Year 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For purchased business also show last 3 years financials:

<table>
<thead>
<tr>
<th>Previous year 1</th>
<th>Gross Sales</th>
<th>Sales Growth</th>
<th>Net Profit</th>
<th>EBITD</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous year 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Previous year 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Any Comments to above: __________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

9. List other NetWork Kansas resource partners that have or will assist with this project and their role of contribution? (To be completed by both Reno County E-Partners and applicant).

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

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

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

**Marketing Release of Information Declaration**

By submitting an application for financial assistance from the 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 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 for 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.

**Annual Progress Reports**

By submitted an application for financial assistance from E-Community fund, the Client agrees to provide annual progress 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.

**Quarterly Progress Reports**

During initial 12 months of loan, the recipient and administrator of loan, Quest Center, will meet at least quarterly to review progress of business and will be available for any assistance that borrower may request.

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
Reno 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.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Strength (1-4)</th>
<th>Weight (% of total)</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Soundness</td>
<td></td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Owner/Operator Experience</td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Business Plan</td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Projected Growth &amp; Economic Impact</td>
<td></td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Business Development Partnerships</td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Quality of Life Impact</td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Owner/3rd Party Funding</td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Community Commitment</td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

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

*Contact*: Quest Center for Entrepreneurs for assistance in developing your business plan.  
1 East 9th, Hutchinson, Ks. 67501, 620-665-8468, fax 620-665-7619, dukardd@hutchcc.edu

**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 local Economic Development Organizations, accountants, attorneys, Quest Center for Entrepreneurs, local governments, advisory board, SCORE and/or other local and regional organizations).

**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 a Chamber of Commerce or Community Association? __________

Reno County E-Partners E-Community Application Process

(a) Applicants will be required to complete E-Community Application and return application to the Quest Center for Entrepreneurs, 1 East 9th, Hutchinson, Ks. 67501.

(b) Applications are available at the Quest Center for Entrepreneurs, 1 East 9th Ave., Hutchinson, Ks. 67501

(c) Upon receipt of an E-Community Application and review of business plan by Quest Center administration with applicant, 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 and/or Quest Center Director.

(e) After reviewing the application, the Financial Review Board must approve or reject all applications with a majority vote. A formal letter of acceptance, rejection or to provide additional information will be sent to the applicant with the contingency that matching funding is secured through E-Community (maximum of 60%) and another partner/s (maximum of 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 Quest Center for Entrepreneurs support organization will administer the loan for a fee equal to “a negotiated amount” to be paid on a monthly basis when there are any outstanding loans to be processed.

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

____Financial Statement
___ Applicant Resume
___ Three Letters of References
___ Business Plan
___ Does your application address projected growth & economic impact; quality of life impact and demonstration of community commitment?