



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

## **McPherson County E-Community Vision**

*Economic Development Vision Goal: To continue and support the collaborative business environment and provide resources to encourage entrepreneurship and expansion of existing businesses.*

# McPherson County Entrepreneurship Community Program

*A partnership project of the*

**McPherson Chamber of Commerce, 306 N. Main, McPherson, KS 67460**

~and~



The McPherson County E-Community program was created through a Kansas Center for Entrepreneurship Tax Credit Program in 2010. It is a project of the McPherson Chamber of Commerce to encourage entrepreneurial activity in the communities of McPherson County.

Qualifying entrepreneurial projects may include startup businesses, as well as existing business purchases and/or expansions. Funding is provided at 3% for 1–5-year loans, and 4% for loan terms of 6-10 years. The minimum loan request is \$5,000 and maximum is \$45,000. E-Community funding is “gap financing” and cannot exceed 40% of the total funding package. Loan fund request must have all documentation listed with the completed application. Please read all the materials to be familiar with the process. Loan funds are limited and are reserved for projects that demonstrate a high likelihood of success.

## **E-Community Guidelines:**

### **Who Qualifies:**

- Anyone wishing to start, purchase or expand a for-profit business in McPherson County.
- Applicant is required to be a member of the McPherson Chamber of Commerce. If business is located within designated boundaries, must also be a member of McPherson Main Street.

**Use of Funds:** Purchase of business equipment, business inventory, real estate, working capital, existing inventory

**Fees:** \$50.00 non-refundable application fee

**Repayment:** 12-120 months. 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

**McPherson Chamber of Commerce E- Loan Application**  
**McPherson County Entrepreneurship Community Program**

McPherson Chamber of Commerce  
306 N. Main, P.O. Box 616  
McPherson, KS 67460  
[www.mcphersonchamber.org](http://www.mcphersonchamber.org)

Debbie Hawkinson, Executive Director  
chamberdirector@mcphersonks.org  
Phone: 620-241-3303

**Company Demographics**

- 1) Name of Business: \_\_\_\_\_  
If company, list entity type (LLC, Sole Proprietorship, C-Corporation, S-Corporation etc.): \_\_\_\_\_
- 2) Complete Mailing Address of Business:  
Street Address/P.O. Box: \_\_\_\_\_ City and County: \_\_\_\_\_ Zip Code: \_\_\_\_\_
- 3) Will the business be listed in the same city as the mailing address listed above? \_\_\_\_\_ If not, where will the business be located? \_\_\_\_\_
- 4) Business Primary Owner Contact Name and Title: \_\_\_\_\_ Telephone: \_\_\_\_\_  
Email Address: \_\_\_\_\_
- 5) Please answer the following questions regarding the primary owner(s):  
Gender: \_\_\_\_\_ Minority \_\_\_\_\_ Veteran Status: \_\_\_\_\_ Disabled \_\_\_\_\_  
If the primary owner(s) is a minority, please indicate their race or ethnicity: \_\_\_\_\_
- 6) What type of work was the owner involved in prior to starting business? \_\_\_\_\_
- 7) Company website if available: \_\_\_\_\_
- 8) In what month and year was the business established? \_\_\_\_\_
- 9) Please describe the project in detail and provide a breakdown of how the funds are expected to be utilized for this project (i.e. purchase building, equipment, land acquisition, inventory purchase, payoff bank loan, working capital, construction, etc.) \_\_\_\_\_ Provide relevant details (length of time in business, business name, or entity changes, etc.) Details: \_\_\_\_\_

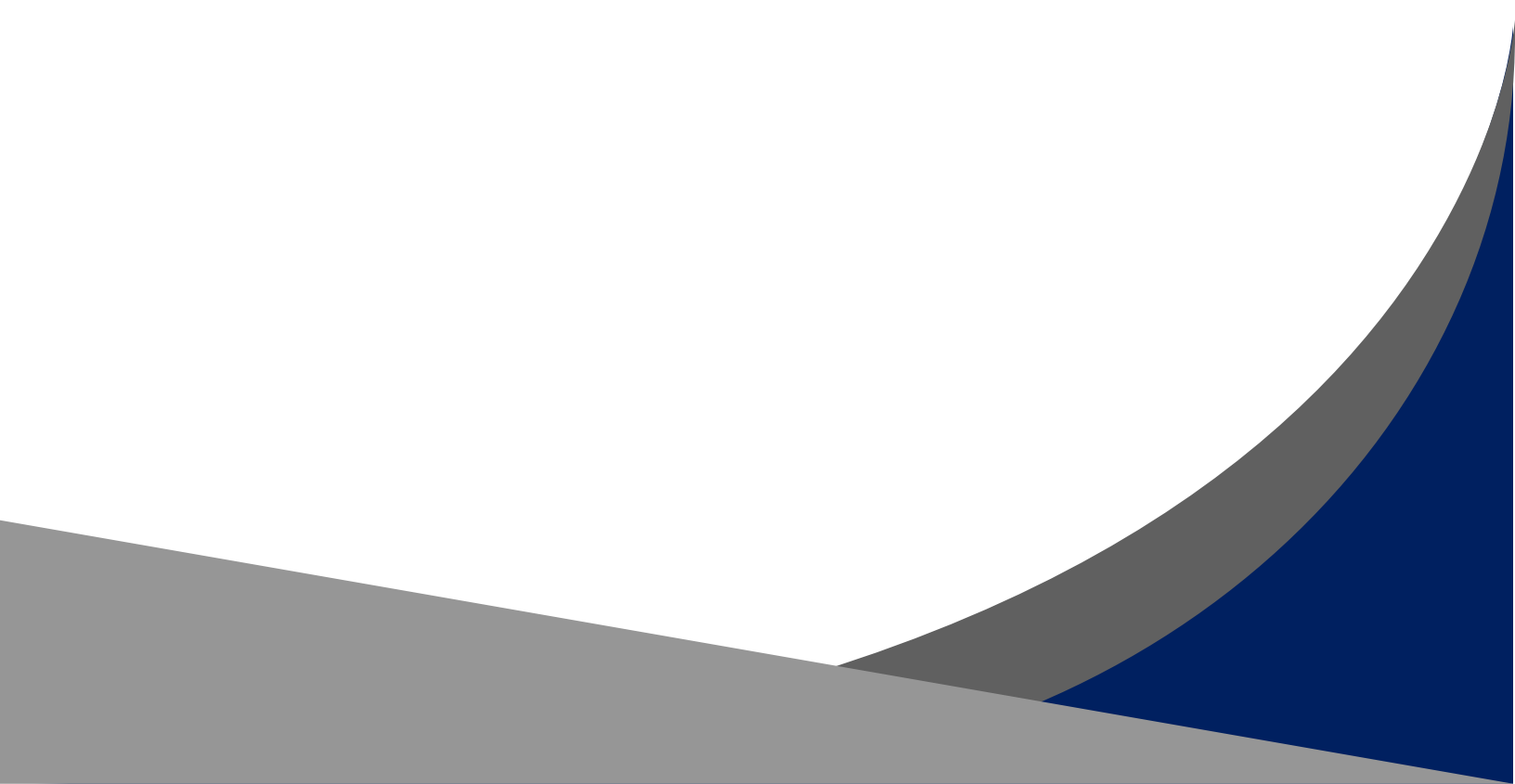
## Snapshot of Company

If the business reported sales last year end, please provide actual year end. If the business is new, please provide projected sales for the upcoming year.

- 10) If the business currently exists, please provide the current FT employees (headcount including owner(s) on the payroll: \_\_\_\_\_ and the Current PT employees (headcount): \_\_\_\_\_
- 11) Please list FT employees to be added as a result of the funds (# of FT employees): \_\_\_\_\_, and if applicable, please list PT employees to be added as a result of the funds (# of PT employees): \_\_\_\_\_
- 12) If the business currently exists, please provide last year-end revenue: \_\_\_\_\_ Profit/Loss: \_\_\_\_\_
- 13) Provide projected sales and sales growth from this project: \_\_\_\_\_

## Requested Funding Information

- 14) Amount of funding requested: \_\_\_\_\_
- 15) Date funding is needed (if the answer requires additional explanation, please provide it here): \_\_\_\_\_
- 16) Loan term requested (12 months- 120 months): \_\_\_\_\_
- 17) Has the business sought traditional means of banking on this project (bank, credit unions)? \_\_\_\_\_  
If so, were they approved or denied? \_\_\_\_\_ If approved, please provide the amount of the loan(s) and the name of the financial institution(s). \_\_\_\_\_
- 18) Please provide the amount of down payment required to get the bank loan: \_\_\_\_\_ If bank loan was denied, please explain why. \_\_\_\_\_
- 19) Amount of owner investment other than down payment on the bank loan (i.e. equipment/real estate purchase, repairs, upgrades, etc.): \_\_\_\_\_
- 20) Other private capital loaned (private investors not including the business owner or bank loans already listed), and please state the source: \_\_\_\_\_
- 21) Other private capital invested (private investors who have invested money in return for equity/ownership in the company): \_\_\_\_\_
- 22) If funds are for the purchase of an existing business, please list seller carry-back amount, if any: \_\_\_\_\_

- 23) Other public capital loaned or granted, please explain (including Certified Development Companies, Regional Foundations, USDA, city/county microloan or revolving loan funds): \_\_\_\_\_
- 24) Describe the type of business, its owners, and key employees (regarding employees: specifically discuss management in terms of skill set/knowledge, leadership, and experience): \_\_\_\_\_
- 25) Please identify the business' competition, where they are located and how the business will set itself apart: \_\_\_\_\_
- 26) Please provide the sales forecast, and who is the business' target market: \_\_\_\_\_
- 27) Describe the benefits of the project to the community and the State of Kansas: \_\_\_\_\_
- 28) Does the entrepreneur or small business owner have a tax liability in arrears with the Kansas Department of Revenue or the IRS? ----- If so, please provide details and any authorized payment details. \_\_\_\_\_
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## 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.

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

## Scoring Rubric

The McPherson County E-Community Team will use this rubric to score your application.

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/3 <sup>rd</sup> Party Funding		10	
Community Commitment		10	
TOTAL			

### 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 Small Business Development Center, McPherson Main Street, the McPherson County Small Business Development Association, South Central Kansas Economic Development Division and, Kansas Department of Commerce Business Development, Enterprise Facilitation 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/3<sup>rd</sup> 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 McPherson Chamber of Commerce and Main Street?



## McPherson County E-Community Application Process

- (a) Applicants will be required to complete the McPherson Chamber of Commerce E-Community Application and return to the McPherson Chamber of Commerce office, 306 N. Main along with their \$50 non-refundable application fee and all documentation attached.
- (b) Applications are available on our website [www.mcphersonchamber.org](http://www.mcphersonchamber.org) and at the McPherson Chamber of Commerce office, 306 N. Main, McPherson, KS.
- (c) Upon receipt of an E-Community Application, the E-Community Team will schedule a meeting to review the project and request and meet with the applicant.
- (d) After reviewing the application, the E-Community Team will approve or reject request for funds based on the rubric scoring. A formal letter of acceptance or rejection will be sent to the applicant notifying of decision.
- (e) An E-Loan 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 McPherson county area.
- (f) With loan approval, the business will be required to be a member of the McPherson Chamber of Commerce for the term of the loan. If located within the boundaries of the McPherson Main Street organization, membership will be required as well.

**The McPherson County Small Business Development Association is available to assist loan applicants at no charge in preparing a Business Plan, and any other necessary documentation to accompany your E-Loan application. Contact David O'Dell at 620-480-9137 to set up an appointment.**

## McPherson County E-Community Application Required Document Checklist

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

\_\_\_ Application Fee \$50

\_\_\_ Business Financial Statement (if applicable)

\_\_\_ Personal Financial Statement

\_\_\_ Current Credit Report

\_\_\_ Applicant Resume

\_\_\_ Three Letters of reference

\_\_\_ Business Plan (Detailed information regarding project, job creation, projected income, sales and include projected growth & economic impact. Quality of life impact and demonstration of community involvement)

\_\_\_ Guarantee letter from lender and or other resource partner

\_\_\_ Corporation documents (IRS documents indicating tax status)

\_\_\_ Copy of Tax ID number

\_\_\_ Applicant Tax Return

Updated 7/2021