

Appendix A

E-Community Application – Required Criteria For Financial Review Board

Phillips County E-Communities Program

A partnership project of

Discover

Phillips County

Economic Development



Resources for Starting or Growing Your Business

CHEYENNE	RAWLINS	DECATUR	NORTON	PHILLIPS	SMITH
SHERMAN	SHERIDAN	GRAHAM	ROOKS	OSBORNE	THOMAS
WALLACE	LOGAN	GOVE	TREBO	ELLS	RUSSELL

PLANNING and DEVELOPMENT COMMISSION

For the entire area of the county of Phillips, including the towns of: (Agra, Glade, Gretna, Kirwin, Logan, Long Island, Phillipsburg, Prairie View, Speed, Stuttgart, and Woodruff)

Background & Eligible Projects

The Phillips County E-Communities program was created through a Kansas Center for Entrepreneurship Tax Credit Program in 2010. It is a project instituted through the Phillips County Economic Development (PCED) office and administrated through the NorthWest Kansas Planning and Development Commission to encourage and develop entrepreneurial activity within Phillips County.

Eligible projects include startup businesses, business transfers of ownership, or existing business expansions. Low interest loans, zero interest loans, and community development grants will be offered through the fund. Low interest loans will be considered by applicants of which may or may not have received EBEP funding support from the PCED and their EBEP matrix score is below 70% percent. Zero interest loans will only be considered, if applicant has received support through the PCED's Entrepreneurial Business Enhancement Program (EBEP) or the Discover Phillipsburg Main Street IWW revolving loan fund and has received a matrix score of 70% percent or better on the EBEP matrix score. Grants will only be considered for community development projects applied for by non-profit organizations. These non-profit organizations have to acquire a commitment of at least 50% of its funding needs for the project, prior to requesting any grant monies from this fund. Not more than five (5%) of the total monies available in this fund (on first working day of the calendar year) can be used for grants (cumulatively) per calendar year. Loans with a low interest rate and no-interest rate are, by far, the most common funding tool.

How the E-Community Fund Works

This revolving loan fund program can only assist with loan amounts up to thirty (30%) percent of the total project cost. A grant request must be no more than 10% percent of the project's total cost. Let's assume a loan applicant needs a total of \$100,000 to do their project. We will also assume that he/she has \$10,000 of his own capital and the bank will loan him \$40,000. Of the remaining \$50,000, the E-Community can do no more than \$30,000 and will need a commitment (s) of \$20,000 from a match partner or combination of match partners. Matching partners can include Northwest Kansas Development and Planning Commission (including the revolving loan fund), PCED (including the Entrepreneurial Business and Enhancement Program {EBEP} or the Special Request Program {SRP}), Phillips County Commissioners (revolving loan fund –for manufacturer's only) and Discover Phillipsburg Main Street (including DPMS revolving loan fund). Members of the E-Community team can help entrepreneurs and small business owners locate and work with those Network Kansas partners to assist in providing the matching amount.

Application Details

Applicants are required to complete the attached application in full. Applicants are also encouraged to consider including the following documents for the E-Communities Financial Committee in order to have a more thorough understanding of the business project:

- A complete business plan with two year cash flow
- Financial reports and/or a bank financial application
- Resumes and references for owners in the business
- Employment and investment projections
- Matching fund avenue possibilities and/or commitments for matching funds

Applicants requiring assistance completing the application or in supplying recommended attachments are encouraged to contact the Phillips County Economic Development office.

Phillips County Economic Development

Jeff Hofaker, Director

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Phillipsburg, KS 67661

Phone: (785) 543-5809

Fax: (785) 543-5762

PCED@ruraltel.net

www.DiscoverPCED.com

Application Review & Interview

Applications will be reviewed and scored by the Phillips County E-Communities Financial Committee. A formal interview will be arranged with the applicant during a regular monthly meeting. Applicants should expect specific questions pertaining to the following criteria:

- Applicant's need for funding and planned uses of funds
- Projected sales and employment
- Matching funds from Network Kansas Partners
- Additional funding from personal investment as well as public and private sources
- Local support of the project through cooperation of organizations and community leaders

- Involvement of Network Kansas resource partners in the project
- Description of how the funds will add resources, add jobs, increase tax revenue, and/or the community benefits of the project.

Review Criteria & Process

The Phillips County E-Communities Financial Committee is charged with making decisions in regards to the applications and funding. The E-Communities Financial Committee will review **on-time and complete** applications (as determined by Phillips County Economic Development (PCED), the local managing agency providing technical service to this program). PCED staff will assist with scheduling the face-to-face interview between the Phillips County E-Communities Financial Committee and the applicant. Once applicant receives preliminary approval from the local Phillips County E-Communities Financial Committee, the project paperwork will be given to the Northwest Kansas Planning and Development Commission (NWKPDPC) and any follow-up needed by Network Kansas officials prior to releasing funds will be completed by NWKPDC as the administrating organization for loans and grants from this fund. The following criteria matrix will be used as the primary way to rate the application and should be used as a guide when preparing applications to the E-Communities Fund. A secondary form of project evaluation will be the EBEP grading matrix. This secondary matrix is to evaluate which form of loan (either low-interest or no-interest) that the applicant can pursue. It also acts as another source of information for the Phillips County E-Communities Financial Committee. (see attachment A)

Criteria	Strength (0-5)	Weight (% of score)	Weighted Score
Potential Economic Impact (job creation, investment, etc.)		25	
Owner/Operator Experience & Business Plan		20	
Financial Soundness		20	
Owner/Third Party Funding		15	
Future Prospects for Growth		10	
Quality of Life Impact		10	
	Total:	100%	

Applications approved for funding will be processed by Northwest Kansas Development and Planning Commission (NWKDPC), which is the official administrator of the Phillips County E-Communities Fund. A manager of NWKDPC will notify the applicant and collect any additional information that is required. They will then forward the application with a check request to the Kansas Center for Entrepreneurship.

Applicants who have been denied funding will be provided a list of comments and recommendations that can be addressed. Revised applications may be submitted to the review board after 30 days from the initial presentation of the application.

Northwest Kansas Development and Planning Commission (NWKDPC) will provide administrative support to the Phillips County E-Communities Fund Program and will supply Network Kansas a list of approved businesses, loan and/or grant amounts, as well as the application and criteria used in the approval process. Initial information about the business will also be provided. Per requirement by the E-Communities program, information regarding all businesses that access E-Communities Fund will be tracked using the Network Kansas Business Trakker software database. Phillip County Economic Development will provide technical assistance for NWKDPC. Semi-annual follow-up can be expected by a Network Kansas Counselor.

The Phillips County E-Communities Financial Advisory Board will meet in the evenings on the second Wednesday of every month at the Phillips County Economic Development office or a designated meeting room within the Fischer Building, (205 F Street - Phillipsburg Kansas). This original meeting date may change in the future with additional individuals being considered for the leadership team. Any changes to the meeting date will be posted on the PCED website calendar at www.discoverpced.com. Applications toward this fund, must be received by the Phillips County Economic Development office on or before 5 pm the 1st Wednesday (one week prior). If applications are received after this monthly cutoff date, the application will automatically be put onto the following month's committee agenda.

Appendix B

E-Community Application – Required Questions



Resources for Starting or Growing Your Business

Phillips County

E-Communities Fund Program

Please return to Phillips County Economic Development upon completion.

Applying Local Organization (Networking Partner)

Name: Northwest Kansas Development and Planning Commission
Primary Contact: Randy Hrabe
Mailing Address: 319 N. Pomeroy – Box 248
City, State, Zip: Hill City, Kansas 67642-0248
Phone Number: (785) 421-2151
Fax Number: (785) 421-3496
E-mail: rhrabe@ruraltel.net

Client Information

Business Name: _____

Entity Type: (i.e. LLC, sole proprietorship, corporation, etc.) _____

Primary Contact: _____
Title: _____

Mailing Address: _____
City, State and Zip _____

Phone Number: _____
Fax Number: _____

E-mail: _____

Business Website: _____

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

6. Are the funds needed for a business startup, the expansion of an existing business, purchase of an existing business, or retention of an existing business? Provide relevant details (length of time in business, entity changes, etc.).

7. Please list the amount of funding being provided by the entrepreneur or small business (down payment).

8. List any additional funding and the amount that will be utilized in this project (bank loans, other investors, equity injections, etc.)

9. 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.)

13. Please read the attached Marketing Release of Information Declaration below, and sign your name if you understand and agree to the terms described.

Marketing Release of Information Declaration

By submitting an application for financial assistance from the Startup Kansas Fund, both the NetWork Kansas Resource Partner and the Client (prospective grant or loan recipient) 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 Startup Kansas Committee has selected the Client to receive financial assistance, the Client agrees to provide pertinent information to the NetWork Kansas Marketing Manager and/or Director for the purpose of preparing a news release for distribution to other Resource Partners and media outlets as determined by the NetWork Kansas Marketing Manager;

Information for the news release will be obtained primarily from the Startup Kansas application, the Resource Partner and grant/loan recipient'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 Startup Kansas 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, et. al.

Signature: _____

Date: _____

Authorization to Release Information

I/we hereby authorize the Northwest Kansas Planning and Development Commission (NWKPDC) or any of its affiliates to make all inquiries it deems necessary to verify the accuracy of the information provided herein, and to determine my/our credit worthiness for any purpose related to our credit transaction with them. I/we hereby certify that the enclosed application information including attachments/exhibits is valid and correct to the best of my/our knowledge.

I/we hereby authorize the NWKPDC to furnish relevant information to all necessary sources including various federal, state and conventional funding opportunities to obtain the best sources for the project.

I/we further agree that I/we shall indemnify and hold the NWKPDC, the PCED, and E-Community Financial Advisory Team (individual members) harmless from any claim or cause of action arising because of incorrect, inaccurate or incomplete information furnished by me/us, whether the furnishing of such incorrect, inaccurate, or incomplete information was accidental or intentional and in consideration of the NWKPDC assistance, I/we waive all claims against the NWKPDC, its personnel or counselors arising from this assistance.

Signature _____

Date _____

Signature _____

Date _____