

Miami County
E-Community

Loan Application



Miami County E-Community Loan Application

The Miami County E-Community program was created in 2019 as part of the Kansas Center for Entrepreneurship Tax Credit Program. It is a project designed to encourage entrepreneurial activity in the region by providing revolving loan funds as gap financing for small business startups and expansions.

Qualifying entrepreneurial projects may include startup businesses, existing business purchases or expansions. The loans 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 \$2,500. The maximum is \$45,000 available per applicant business. Please see the E-Community funding example below for more details.

E-Community Guidelines:

Who Qualifies:

Anyone wishing to start, purchase or expand a for-profit business in Miami County or the Johnson County portion of the City of Spring Hill.

The overall project must include a 10% equity investment.

Use of Funds:

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

Fees:

Application Fee*	\$75
Non-sufficient Funds	\$25
Loan Modification	\$75
Lien Filing	\$15
Underwriting	\$250

*Application fee applies toward underwriting

All fees subject to change.

Repayment:

- Terms to be determined
- No prepayment penalty

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

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
- Single-family residential development

Funding Example:

Project size: \$50,000

Owner investment: \$5,000

Gap: \$45,000

Bank or other source: \$18,000

E-Community: \$27,000

Miami County E-Community Application Process

- (a) Applicants will be required to complete and submit this E-Community Loan Application, along with a personal resume and the non-refundable application fee of \$75. Applications are available on our website www.ThinkMiamiCounty.com and at the Miami County Economic Development Office, 201 S. Pearl, Suite 202, Paola, KS 66071
- (b) As part of the submission process, the applicant must attend a free consultation with Miami County Economic Development staff to review the information provided and verify that all documentation has been provided.
- (c) Information will be shared with AltCap 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) Provided the applicant wants to proceed with the application, the remaining fee for underwriting must be paid by the applicant.
- (e) The completed application will be submitted to AltCap for underwriting. The participating bank and applicant are encouraged to share their underwriting information with AltCap. Their review will be completed within two weeks of their receipt of the required paperwork.
- (f) AltCap will provide a written recommendation to the Financial Review Committee.
- (g) Upon receipt of the written recommendation from AltCap, the E-Community Financial Review Committee will meet to review the application.
- (h) After the application review meeting, the Financial Review Committee may choose to schedule and conduct an interview with applicant.
- (i) 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. Loans with an E-Community participation of \$10,000 or less only require approval of the Financial Review Committee. Loans of more than \$10,000 will be forwarded to members of the Greater Miami County Economic Development Corporation's Board of Directors for their consideration.

Loans larger than \$10,000 must be approved by the Greater Miami County Economic Development Corporation's Board of Directors.

A special meeting may be called of the Board of Directors to act on the recommendation offered by the Financial Review Committee.

- (j) Once action is taken, 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, the E-Community Leadership Team and the Greater Miami County Economic Development Corporation's Board of Directors.
- (k) A media release will be created announcing acceptance of applicant and will include business summary, amount to be awarded, a list of the funding partners, a list of any NetWork Kansas partners assisting with project, and description of how funds will be utilized.

- (l) Miami County will work with AltCap to close the loan with any filing, registration, or recording fees paid by the applicant either up front or via net loan proceeds.
- (m) The loan will be serviced by AltCap with regular reports to the Greater Miami County Economic Development Corporation as outlined in the service agreement.
- (n) 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.

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

- Applicant resume
- Three letters of reference
- Tax clearance report (*new business – personal report; existing business – business report*)
- \$75 application fee
- Financial documentation as prescribed below

Required Documentation

	\$10,000 and less	\$10,001+ to \$24,999	\$25,000+
A free credit report from a national provider for each borrower. The report must be less than 30 days old.	yes	yes	yes
All paystubs from the last 30 days (from all jobs of each borrower - including business)	yes	yes	yes
Proof of any other verifiable source of income	yes	yes	yes
Most recent personal bank statements (all pages for all accounts of each borrower, including most recent month)	2 months	3 months	3 months
Most recent business bank statements (all pages for all accounts, including most recent month)	2 months	3 months	3 months
Personal financial statement and signed addendum (see attached form)	yes	yes	yes
Financial projections including sources and uses of funds	yes	yes	yes
Business plan	yes	yes	yes
Proof of equity investment	yes	yes	yes
Proof of a pending bank or similar contingency commitment for balance of project	yes	yes	yes

	\$10,000 and less	\$10,001+ to \$24,999	\$25,000+
Proof of business ownership: Articles of Incorporation or Borrowing Resolution (Corporations or LLC), Assumed Business Name/DBA (Sole Prop), Partnership Agreement and DBA (Partnership)	yes	yes	yes
Existing business year-to-date profit and loss statement and a balance sheet	yes	yes	yes
If the business is a storefront, business lease agreement	yes	yes	yes
If existing business has outstanding taxes, payment plan agreement, including current balance and payment history	yes	yes	yes
For any vehicle pledged as collateral, a copy of vehicle title, or registration and insurance if title is not available.	yes	yes	yes
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	yes	yes	yes
Copy of current and future debt schedule	yes	yes	yes
Personal tax return (signed, all schedules needed)	no	1 year	2 years
Business tax return (signed, all schedules needed)	no	1 year	3 years
Accounts receivable aging statement and accounts payable aging statement	no	no	yes
Three most recent merchant statements, all pages	no	no	yes

**This outline is to provide guidance to the applicant.
Based upon the information provided,
additional documentation may be requested.**