

Economic Development Corp. Greensburg and Decatur Co.



Small Business Development Loan Program (SBDLP)



Application



This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with USDA, Director, Office of Civil Rights, Washington, D.C. 20250

Application Guidelines

Purpose of the Program

The purpose of the Small Business Development Loan Program (SBDLP) is to provide loans and technical assistance to new and emerging Decatur County businesses while facilitating development and creating or retaining employment possibilities within the community.

Loan Criteria

The decision to approve a loan will be based in large part on the ability of the business to demonstrate that a loan is necessary, that it will have a positive impact on employment, that the business can repay the loan, and that it has proof of sufficient collateral.

Who can borrow?

A loan can be made to a new or existing business located in the boundaries of Decatur County. Loans will be available to applicants meeting the definition of "small and emerging private business enterprises" defined as "any private business that will employ 50 or fewer new employees and has less than \$1 million in projected gross revenues." At least 51 percent of the outstanding interest in the applicant must be owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.

How much can be borrowed?

The minimum loan amount is \$2,000. The maximum loan amount is \$50,000. Exceptions to these caps will be considered on a case by case basis by loan committee.

For how long can funds be borrowed?

Loan term will be based on the planned use of funds and the useful life of assets to be acquired, primarily the lesser of seven years or the life of the security.

How can funds be used?

Funds may be borrowed to finance working capital (inventory, receivables, operating capital), and equipment.

What is the interest rate?

Interest rates will be between 0% and 10%. Repayments will be made monthly. Payment deferrals will be available for up to 6 months.

Number of jobs to be created/saved with each project?

The grantee has a goal of creating or retaining at least one full time job to be eligible for up to \$10,000 in loan funds from the SBDLP (or \$10,000 per job retained or created).

Is technical assistance available?

Yes, EDCGDC arranged for several levels of technical assistance geared to the needs of potential borrowers. New businesses will be expected to participate in a business plan development program and to utilize available resources of the SBDC concerning tax issues, bookkeeping, and marketing. The area SBDC can provide one-on-one technical assistance to help borrowers with specific challenges they may face in operating their businesses.

The funding for this program is provided in collaboration with the United States Department of Agriculture, Rural Development, Rural Business Enterprise Grant program.

Application Steps

1. Complete the SBDLP program application form. Mail or deliver the application and all supporting material to the Economic Development Corporation of Greensburg/Decatur County, 201 N Broadway, 2nd Floor, P.O. Box 525, Greensburg, IN 47240 .
2. EDCGDC staff will determine your basic eligibility for the program; i.e. that your proposed use of funds is consistent with federal regulations.
3. You will receive a written or phone response as soon as possible after the EDCGDC has reviewed your application and supporting materials.
4. **If you are an existing business (in business for at least one year) your application will be evaluated based upon past management of your business and your historical financial performance.**
5. **If you are a new business (in business for less than one year), your application must include a business plan prepared by you reflecting how your business will operate.**
6. If you do not have a business plan, you will be required to prepare an adequate plan prior to being considered for financing under the SBDLP. The business plan should document the market for your product or service, the management of the business, and provide a financial projection. Entrepreneurs seeking assistance in developing their business plan will be referred to one of Indiana's Small Business Development Centers.
7. Upon receiving all requested information, your application will be evaluated. A personal interview will be held, credit and lien searches will be completed, and a recommendation will be prepared for the SBDLP Review Committee.
8. The SBDLP Review Committee will consider the request and approve or disapprove your loan request. If a loan is disapproved, you will be provided with information on the factors leading to that decision and how you might be able to improve the application.
9. Once the Loan Review Committee has approved your request, an environmental assessment may be required, following which your loan will be closed and disbursed as quickly as possible. Your loan repayments will begin 30 days after closing.

Before You Begin

Before you begin filling out this Loan Application, please review the questions below. This will help you move forward as quickly as possible.

1. **Have you read the Program Guidelines on Page 2?** This information will answer some of the basic questions about the operation of the program and help you decide if you want to apply.
2. **Are you a new business** (less than one year in business)? If so, the SBDLP will **require** that you prepare an adequate Business Plan. If you have completed your business plan, be sure to enclose a copy with your Loan Application. **If you have not completed a business plan**, complete only Sections I and IV of the Loan Application and return the application as soon as possible. We will provide you with information concerning resources available to you to assist in the preparation of a Business Plan.
3. **Have you been in business for more than a year?** If so, enclose at least one year of tax returns or financial statements with this application (three years if available). Also, please include business financial information such as balance sheets, profit and loss statements, cash flow projections, etc. The more information we are able to review, the more quickly we will be able to process your application.

SBDLP Program Application

Section I, Business Information:

Business Owner(s):

Name

Home Address

Home Phone

E-mail Address

Business Name: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Business Phone: () _____ Fax #: () _____ E-mail Address: _____

Describe Type of Business (product or service): _____

Business Status: (Check One) New (under 12 months *See Section III*) Existing (over 12 months)

Type of Business Organization:

Partnership

Sole Proprietorship

Not yet established

"S" Corporation

"C" Corporation

Other: _____

Date Business Established: _____ Federal ID#: _____

Is this a female owned business? Yes No

Have you met all the legal requirements necessary to establish your business? Yes No

Any personal or business judgments or bankruptcy or insolvency proceedings, or unsettled lawsuits or major disputes?

Yes No

If Yes, Please Explain: _____

Section II, Employment Information:

Current Total Number of Employees (**existing businesses only**):

Part time _____ @ Hourly Rate of \$ _____ Hours worked per week _____

Full time _____ @ Hourly Rate of \$ _____ Hours worked per week _____

Family _____ @ Hourly Rate of \$ _____ Hours worked per week _____

Self _____ @ Hourly Rate of \$ _____ Hours worked per week _____

Planned Total Number of Employees **if SBDLP approved**:

Part time _____ @ Hourly Rate of \$ _____ Hours worked per week _____

Full time _____ @ Hourly Rate of \$ _____ Hours worked per week _____

Family _____ @ Hourly Rate of \$ _____ Hours worked per week _____

Self _____ @ Hourly Rate of \$ _____ Hours worked per week _____

Section III, Cash Flow Projection

From _____ to _____, 200__. Business Name: _____

Month of:																		Total	
Cash Sales																			
Rental Income																			
Total Income:																			
Direct Expenses:																			
Inventory Purchases																			
Supplies																			
Packaging/Shipping																			
Wages/Payroll																			
Fringe Benefits																			
Payroll Taxes																			
Overhead Expenses:																			
SBDLP Payment																			
Other Loan Payment																			
Licenses & Fees																			
Rent/Mortgage Payment																			
Telephone																			
Utilities (gas, water, elect)																			
Office Supplies/Postage																			
Advertising																			
Travel/Gas/Parking																			
Entertainment/Food Insurance																			
Legal & Accounting Fees																			
Owner's Salary																			
Owner's Tax Deposits																			
Owner's Retirement Funds																			
Start-Up Expenses:																			
Start-up Inventory																			
Rent/Utility Deposits																			
Start-up Equipment																			
Total Expenses																			
Change (Income - Expenses)																			
plus SBDLP Principal																			
plus Owner's Contribution																			
plus Previous Ending Position																			
= Ending Position																			

Section IV, For New Businesses Only (in business less than 1 year):

Individuals applying for loans to establish a new business will be required to prepare a Business Plan which adequately describes the operation of their proposed business.

Have you completed a Business Plan? Yes No If so, attach a copy of the Business Plan to this application.

When was the Business Plan prepared? _____ Was it prepared by a consultant/advisor? Yes No

If so, please provide his/her name and telephone number: _____

If you have not completed a Business Plan, would you like information on assistance available to help you prepare a Business Plan? Yes No

Section V, Financing Information:

Amount of Loan Requested: \$ _____ . Repayment Term Requested: ____ Months.

Purpose of Loan: _____

Describe how you will use SBDLP and other funds. (Use additional sheets if needed.)

<u>Item</u>	<u>Description</u>	<u>SBDLP Funds</u>	<u>Other Funds*</u>
Receivables:	_____	\$ _____	\$ _____
Inventory:	_____	\$ _____	\$ _____
Equipment:	_____	\$ _____	\$ _____
Furniture/Fixtures:	_____	\$ _____	\$ _____
Operating Expenses:	_____	\$ _____	\$ _____
Construction Costs:	_____	\$ _____	\$ _____
Remodel Costs:	_____	\$ _____	\$ _____
Other:	_____	\$ _____	\$ _____
Total	_____	\$ _____	\$ _____

* Source(s) of Other (non-loan) funds: _____

Source of Repayment: Operating Profit Personal Income Other (Explain): _____

Proposed Collateral: Personal Guaranty Business Guaranty Lien on Equipment Mortgage

Other, explain: _____

Have you contacted a bank for financing? Yes No Was financing approved? Yes No

Name of Bank _____ Contact Person: _____ Phone: _____

Section VI, Personal Financial Information:

Full Name: _____ / /

Present Address: _____ City: _____ State: _____ Zip: _____

Home Phone: () _____ Marital Status: _____ Head of Household Yes No

Social Security Number _____ - _____ - _____ Are you a veteran? Yes No

Do you have Health Insurance? Yes No If Yes, provided by Self Employer Spouse's Employer

Do you have: Life Insurance (amount \$ _____)

Disability Insurance? If so, provided by Self Employer

Name and Age of Dependents: _____

Total in Household, including applicant and spouse: _____

Present Employer: _____ How Long? _____ yrs. Phone: () _____

Employer Address: _____ Supervisor: _____

Personal References:

<u>Name</u>	<u>Address</u>	<u>Phone #</u>
_____	_____	() _____
_____	_____	() _____
_____	_____	() _____

Income:

Sources of Income	Amount
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Monthly Income	\$ _____

Expenses:

<u>Source</u>	<u>Household Monthly Expenses</u> <u>Amount</u>	<u>Creditor</u>	<u>Household Monthly Payments</u> <u>Acct #</u>	<u>Payment</u>
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
_____	\$ _____	_____	# _____	\$ _____
Total Monthly Expenses	\$ _____	Total Monthly Payments		\$ _____
Total Monthly Expenses & Payments				\$ _____

Are you a co-maker, endorser, or guarantor on any loan or contract? Yes No
Do you currently have any bills which are more than 30 days past due? Yes No
Are any of your obligations not listed? Yes No
Are there any suits or judgments currently pending against you? Yes No
Are you currently on probation? Yes No
Have you ever filed for bankruptcy? Yes No
A "Yes" answer must be explained: _____

Section VII, Additional Information Required:

Please include the following information so that we can more quickly process your application.

- Business Plan dated _____ (required for start-up businesses, and existing business less than 1 yr. old)
- Financial statements for the last three years that the business has operated (if existing business)
- Personal tax returns for two years (required for start-up and existing businesses)
- Company tax returns for two years (required for existing businesses)
- Other (describe): _____

Section VIII, Questions:

If you have any specific questions which you would like answered about the SBDLP Program before we begin evaluating your application, please note them below.

Section IX, Certifications:

Please read the following and sign the Application Form below.

The information in this Loan Application is provided for the purpose of applying for funds under the SBDLP Program. The information is accurate to the best of my knowledge. I understand that personal and/or business and credit information may be requested pursuant to this Loan Application and I hereby give my consent for such information to be provided to the city and/or the SBDLP Center of Administrative Resources association. I also understand that the SBDLP Program retains the sole discretion as to whether this Loan Application is approved, disapproved, or modified. It is my right to accept or decline the loan amount, rate and terms approved by the Program.

Name (Printed): _____

Name (Printed): _____

Signature: _____

Signature: _____

Date: _____

Date: _____

**Economic Development Corp.
Greensburg and Decatur Co.
201 N Broadway St, 2nd Floor
P.O. Box 525
Greensburg, IN 47240
Phone: (812) 222-2520
Fax: (812) 222-2506**

EDCGDC Use Only

Date Received: _____ **Date(s) Reviewed:** _____ **Tracking Status:**



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