

# Small Business Development Loan Program (SBDLP)

## Application

Economic Development Corporation of Greensburg/Decatur County

Bryan Robbins, *Executive Director*

314 W Washington Street

Greensburg, IN 47240

812.222.2520

*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, 314 W Washington St, 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

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 can review, the more quickly we will be able to process your application.

## Section I, Business Information:

Business Owner(s):

Name                      Home Address                      Home Phone                      E-mail Address

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Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Business Phone: ( ) \_\_\_\_\_ Fax #: ( ) \_\_\_\_\_ E-mail Address: \_\_\_\_\_

Describe Type of Business (product of service): \_\_\_\_\_

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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 judgements 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 \_\_\_\_, 20\_\_\_\_ Business name: \_\_\_\_\_

Month of:													Total
Cash sales													
Rental Income													
<b>Total Income:</b>													
Direct Expenses													
Inventory Purchases													
Supplies													
Packaging/Shipping													
Wages/Payroll													
Fringe Benefits													
Payroll Taxes													
<b>Overhead Expenses:</b>													
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 Fund													
<b>Start-Up Expenses:</b>													
Start-up Inventory													
Rent/Utility Deposits													
Start-up Equipment													
<b>Total Expenses:</b>													
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 necessary.)

<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:	_____	\$ _____	\$ _____
<b>Total:</b>		\$ _____	\$ _____

\*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:





### 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.

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### 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: \_\_\_\_\_

**Return to:**

Economic Development Corporation of Greensburg/Decatur County  
 314 W Washington St  
 Greensburg, IN 47240  
 Phone: 812.222.2520  
[director@edcgdc.com](mailto:director@edcgdc.com)

For EDC Use Only:

Date Received: \_\_\_\_\_ Date(s) Reviewed: \_\_\_\_\_ Tracking Status: