

**APPLICATION
TARGETED SMALL BUSINESS
FINANCIAL ASSISTANCE PROGRAM**

The Iowa Department of Economic Development provides loans or grants up to a maximum of \$50,000 to Iowa businesses that are at least 51% owned and actively managed by minorities and/or women or persons with disabilities. The majority owner must be a resident of the State of Iowa. THE BUSINESS MUST BE CERTIFIED AS A "TARGETED SMALL BUSINESS" BY THE STATE OF IOWA, BEFORE APPLYING FOR OR RECEIVING FUNDS UNDER THIS PROGRAM.

INSTRUCTIONS:

1. *Fill out application materials completely. If any questions are left unanswered or required attachments are not submitted, an explanation for the omission must be included. Only complete applications will be considered for funding.*
2. *Applications must either be typed or handwritten in ink. The original application must be submitted on this form to the Department of Economic Development.*
3. *Applications will be reviewed and evaluated on criteria such as: budget factors, business design, demonstrated need of applicant, feasibility of plan, credit worthiness, previous business experience, etc.*
4. *The Iowa Department of Economic Development reserves the right to request additional information for the purpose of determining eligibility and assessing this application.*
5. *As a part of this application, the Department of Economic Development requires two years of projected cash flow statements, profit and loss statements, and balance sheets (forms are attached). If the business applicant is an existing firm, we also require the most current three years' balance sheet and profit and loss statement and schedule C's from your federal income taxes or some other reasonable statement of business condition.*

Generally, funds provided under the TSBFAP program will be in the form of low interest loans. However, if a business can show that a grant is necessary to leverage either SBA or conventional bank financing, a grant may be considered. Grant funds may be considered taxable income by the Internal Revenue Service and the Iowa Department of Revenue and Finance; therefore, a 1099 form may be issued.

There are three major parts to the attached application (Personal Information, Personal Financial Information, Business Proposal). Each section must be filled out completely in order to be considered for funds. Applicants must submit six-month balance sheet and income statements and tax returns if existing business. **No application will be funded 100% by TSB funds and the business owner must also inject cash in an amount that is at least 10% of the total project costs.**

Applicants must score a minimum of 60 out of a possible 100 points in order to be recommended for funding. Points are awarded based on the information contained in the application according to the following criteria:

Business Plan (20 points possible) - Does the application contain significant information regarding the product or service to be offered? Has the applicant provided sufficient documentation to support/justify the cash flow assumptions, e.g. third-party documentation regarding market size, annual sales and competition?

Financial Plan (20 points possible) - Does the application contain comprehensive two-year cash flow projections which show the viability of the business? Does the application provide completed personal financial information and information on other funding sources?

Financial Need (20 points possible) - The applicant's personal liquid assets and their ability or inability to secure a loan from conventional sources (i.e. bank, savings and loan, credit union, SBA).

Market Plan (5 points possible) - Does the application contain sufficient information to ascertain that the applicant fully understands who the customers are and how to effectively reach them?

Management Expertise (20 points possible). Does the applicant have education or work experience that is relevant to the proposed business? Does the application document previous business training or management experience?

Loan Repayment (10 points possible) - Does the application document the business' ability to service its debt?

Nontraditional (5 points possible) - Is the proposed business category one in which TSBs have traditionally been under-represented as owners?

The appendix included at the back of this application lists the Small Business Development Centers located throughout Iowa. These centers can provide a wide range of assistance to small business operators or entrepreneurs. Each of the centers has staff trained to assist clients in the preparation of business plans, cash flow statements, and profit and loss statements. Please contact the center nearest you for help in completing the forms required for this application.

Questions concerning the program as well as submission of applications should be directed to:

Donna Lowery
Targeted Small Business
Iowa Department of Economic Development
200 East Grand Avenue
Des Moines, IA 50309
Telephone: 515.242.4813

Questions concerning certification, as well as submission of application for certification, should be directed to:

Mary T. Montgomery
Lucas State Office Building
321 East 12th Street
Des Moines, IA 50319-0083
Telephone: 515.281.5796
Mary.montgomery@dia.iowa.gov

PERSONAL INFORMATION

Name: _____ Social Security No: _____
Address: _____ City: _____
County: _____ Zip Code: _____
Telephone: () _____ (or where message can be left () _____
Are you a resident of Iowa? _____ Email _____

Name: _____ Social Security No: _____
Address: _____ City: _____
County: _____ Zip Code: _____
Telephone: () _____ (or where message can be left () _____
Are you a resident of Iowa? _____ Email _____

Name: _____ Social Security No: _____
Address: _____ City: _____
County: _____ Zip Code: _____
Telephone: () _____ (or where message can be left () _____
Are you a resident of Iowa? _____ Email _____

Business Name: _____ **Federal I.D. No:** _____

Mailing Address: _____

Street Address: _____

Years in Business: _____ **Current Number of Employees:** _____ **Part Time:** _____ **Full Time:** _____

Business Contact Person: _____ **Phone Number:** () _____

Email _____

BACKGROUND

Please list any education, training, or work experience that is related to your proposed business:

1. EDUCATION

2. TRAINING:

3. WORK EXPERIENCE (3 - 5 years)

Did you have assistance in the preparation of this application? Yes _____ No _____

If yes, Name, Address and Phone: _____

Do you wish them to be notified when a decision has been reached? Yes _____ No _____

If funds are awarded, do you wish for them to receive any correspondence sent to you throughout the period of the loan? Yes _____ No _____

Does the project include the initial construction of any building or facility?
Yes _____ No _____

If yes, does the local jurisdiction have a local building code in place which it enforces through a system of plan reviews and inspections? Yes _____ No _____

PERSONAL FINANCIAL STATEMENT

A. List all current assets and liabilities. (MUST BE COMPLETED.)

Current Personal Assets

Cash/Checking Account (Bank _____)	\$ _____
Savings Account(s) (Bank _____)	\$ _____
Stocks/Bonds/Securities	\$ _____
Accounts/Notes Receivable	\$ _____
Autos/Other Vehicles (Model & Yr. _____)	\$ _____
Real Estate Value	\$ _____
Other Assets: (list) _____	\$ _____
_____	\$ _____
_____	\$ _____
Total Assets:	\$ _____

Current Personal Liabilities

Balance on Car (Holder of 1st lien _____)	\$ _____
Balance on home (Bank _____)	\$ _____
Credit Card liability (Company _____)	\$ _____
Other loans (list) _____	\$ _____
Other liabilities: (List creditor and amount.)	
Child Support	\$ _____
State Tax Liability (Personal or Business)	\$ _____
Federal Tax Liability (Personal or Business)	\$ _____

Total Liabilities:	\$ _____

Total Assets	\$ _____	
Less Total Liabilities	\$ _____	
	= Net Worth	\$ _____

Signature: _____ Date: _____

III
BUSINESS PROPOSAL

- A. Please provide a brief description of your project proposal. (Please limit your response to the space provided.)

B. Project Budget Proposal

List of Project Costs (Use of Funds)

Amount

Purchase Real Estate & Closing Costs	\$ _____
Remodeling Costs	\$ _____
Machinery and Equipment	\$ _____
Furniture and Fixtures	\$ _____
Supplies	\$ _____
Inventory	\$ _____
Other	\$ _____

Start Up Costs

Advertising	\$ _____
Rental Deposit	\$ _____
Utilities Deposits	\$ _____
Insurance	\$ _____
Professional Fees	\$ _____
Licenses & Permits	\$ _____
Other (_____)	\$ _____

Total \$ _____

Working Capital \$ _____

TOTAL PROJECT COSTS \$ _____

Sources of Funds for Project

Business Owner's Cash Contribution	\$ _____
Bank Loan(s)	\$ _____
Other (_____)	\$ _____
Other (_____)	\$ _____
State Financial Assistance Needed	\$ _____

TOTAL SOURCES: \$ _____

(Should equal total project costs)

Type of State Assistance Requested

Loan \$ _____

Equity Grant \$ _____

UP TO \$50,000 IS THE MAXIMUM AVAILABLE. (GRANT FUNDS MAY BE CONSIDERED TAXABLE INCOME BY THE INTERNAL REVENUE SERVICE AND THE IOWA DEPARTMENT OF REVENUE AND FINANCE; THEREFORE, A 1099 FORM MAY BE ISSUED.)

(For loans, please specify desired rate of interest _____% term _____yrs, and other special conditions requested.)

C. Is the applicant business at least 51% owned and actively managed by minorities, women and/or persons with disabilities? _____YES _____NO

Is the applicant certified as a Targeted Small Business by the State of Iowa?
_____YES _____NO

D. If a loan is being requested, list security for the loan (co-signer, property, product, etc.). Be specific, including model numbers and serial numbers if applicable. _____

E. List of three character references: (previous employer, local business person, landlord, etc.)

1. _____ Phone Number: (____) _____
Relationship to Applicant: _____

2. _____ Phone Number: (____) _____
Relationship to Applicant: _____

3. _____ Phone Number: (____) _____
Relationship to Applicant: _____

F. Are you able to travel to Des Moines for an interview: _____YES _____NO
(Your response to this question will have no influence on the Department's decision to award you a loan.)

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

Applicant
Signature: _____ Date: _____

A person who engages in deception and knowingly makes or causes to be made, directly or indirectly, a false statement in writing, for the purpose of procuring economic development assistance from a state agency or political subdivision, for the benefit of the person or for whom the person is acting, is guilty of a fraudulent practice in the first degree as defined in Section 714.9.

A Class "C" Felon, not a habitual offender, shall be confined for no more than ten years, and in addition may be sentenced to a fine of not more than \$10,000.

I. DESCRIPTION OF THE BUSINESS

A. Explain your current (or proposed) business.

B. Indicate what type of business.

- | | |
|--------------|---------------------------|
| 1. Wholesale | 4. Manufacturing |
| 2. Retail | 5. Construction |
| 3. Service | 6. Other, (explain) _____ |

C. Business Status

1. Start-up
2. Existing
3. Take-over of Existing

D. When will (did) your business open?

E. Business Form

- | | |
|------------------------|-----------------|
| 1. Sole Proprietorship | 3. Subchapter S |
| 2. Partnership | 4. Corporation |

F. If Partnership, Subchapter S, or Corporation, have formal arrangements been made?

If not, when will they be completed?

G. What type of experience do you have in this business?

H. What are normal or proposed business hours?

II. FOR A NEW/EXPANDING BUSINESS

- A. What will be special or unique about your business? Will you offer a new product or service?
- B. Have you spoken to others in this kind of business? What was their response?
- C. Have you spoken with vendors/suppliers to find out what managerial and/or technical help they will provide? If so, who are they and what will they provide.
- D. Have you asked about vendor credits? Has credit been granted? If granted, What are the terms?
- E. If you will be doing contract work, have you developed the terms? If so, what are they? Reference any firm contract and include it as a supporting document.

III. FOR A BUSINESS TAKEOVER

- A. When and by whom was the business founded?
- B. Why is the owner selling?
- C. What was the purchase price of the business? How was that price determined?
- D. What is the trend of sales? (Upward? Downward? Stable?) If downward, please explain.

IV. THE MARKET

A. Who will be your targeted customers?

B. Where are your customers located? Why does your area need a new business like yours?

C. What is the present size of your market?

D. How are you going to satisfy your market?

- E. What kinds of promotion will you use in your marketing efforts? How much will you be spending on promotion (fixed dollar figure or percent of sales)?
- F. How have you determined the selling price for your product or service? What is your price? Include as a supporting document if necessary.
- G. How much will you sell in a day, a week, a month in dollars? Will your business have seasonal sales? If so, what will be the high sales amounts and the low sales amounts?
- H. What special advantages does your product or service offer that might justify higher prices?
- I. Will you be offering credit terms to your customers? If so, what will they be?

V. COMPETITION

A. Who are your five nearest competitors? List by name and location.

- 1.
- 2.
- 3.
- 4.
- 5.

B. Describe your competition.

Is their business increasing, decreasing or stable?

What are their competitive strengths and weaknesses?

How will your business differ from theirs?

If you have been in a position to observe your competitors operations, what have you learned?

C. How will your business be better than your competitor's?

VII. PERSONNEL

- A. What are your current employee needs? In one year? In two years?
- B. What skills must they have?
- C. Are the people you need available?
- D. Will you have full-time or part-time employees?
- E. How will they be compensated? (salary or hourly rate?)
- F. Will you provide fringe benefits to employees?
- G. Will you be required to train employees? Explain time and cost commitments of the business to training activities.

VIII. GENERAL CONSIDERATIONS

- A. What kinds of insurance needs does your business have?

Have they been secured? Who is your agent(s)?

IX. GENERAL SUMMARY

- A. List at least five factors that are critical to the success of your business.
- B. Client statement. Use this section to clarify any questions about your business that the loan processor may have that have not been included in the general plan.

PROJECTED BALANCE SHEET

Year One

<u>ASSETS</u>	<u>AMOUNT</u>
<u>Current Assets</u>	
Cash On Hand	\$ _____
Accounts Receivable	\$ _____
Inventory	\$ _____
Prepaid Expenses	\$ _____
Other	\$ _____
TOTAL CURRENT ASSETS	\$ _____
 <u>Fixed Assets</u>	
Equipment	\$ _____
Land and Building	\$ _____
Less Depreciation	(_____)
NET FIXED ASSETS	\$ _____
TOTAL ASSETS	\$ _____
 <u>LIABILITIES</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$ _____
Notes Payable - Bank	\$ _____
Current Portion LTD	\$ _____
TOTAL CURRENT LIABILITIES	\$ _____
Long Term Debt	\$ _____
Officer's Debt	\$ _____
TOTAL LIABILITIES	\$ _____
Common Stock	\$ _____
Paid in Capital	\$ _____
Retained Earnings	\$ _____
(Less) Treasury Stock	\$ _____
TOTAL NET WORTH	\$ _____
TOTAL LIABILITIES AND NET WORTH	\$ _____

PROJECTED BALANCE SHEET

Year Two

<u>ASSETS</u>	<u>AMOUNT</u>
<u>Current Assets</u>	
Cash On Hand	\$ _____
Accounts Receivable	\$ _____
Inventory	\$ _____
Prepaid Expenses	\$ _____
Other	\$ _____
TOTAL CURRENT ASSETS	\$ _____
 <u>Fixed Assets</u>	
Equipment	\$ _____
Land and Building	\$ _____
Less Depreciation	(_____)
NET FIXED ASSETS	\$ _____
TOTAL ASSETS	\$ _____
 <u>LIABILITIES</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$ _____
Notes Payable - Bank	\$ _____
Current Portion LTD	\$ _____
Other Current Liabilities	\$ _____
TOTAL CURRENT LIABILITIES	\$ _____
Long Term Debt	\$ _____
Officer's Debt	\$ _____
TOTAL LIABILITIES	\$ _____
Common Stock	\$ _____
Paid in Capital	\$ _____
Retained Earnings	\$ _____
(Less) Treasury Stock	\$ _____
TOTAL NET WORTH	\$ _____
TOTAL LIABILITIES AND NET WORTH	\$ _____

PROJECTED PROFIT AND LOSS STATEMENT

Year One

	<u>ANNUAL</u>
Sales	\$ _____
Less: Cost of Goods Sold	\$ _____
Gross Profit	\$ _____
 <u>Operating Expenses</u>	
Payroll (excluding owner's draw)	\$ _____
Payroll Taxes	\$ _____
Advertising	\$ _____
Car, Deliver, Travel	\$ _____
Depreciation	\$ _____
Dues and Subscriptions	\$ _____
Insurance	\$ _____
Laundry	\$ _____
Licenses and Business Taxes	\$ _____
Maintenance and Repairs	\$ _____
Professional Fees	\$ _____
Rent	\$ _____
Supplies	\$ _____
Telephone	\$ _____
Utilities	\$ _____
Miscellaneous Expense	\$ _____
Total Operating Expenses	\$ _____
Profit or (Loss)	\$ _____

PROJECTED PROFIT AND LOSS STATEMENT

Year Two

	<u>ANNUAL</u>
Sales	\$ _____
Less: Cost of Goods Sold	\$ _____
Gross Profit	\$ _____
 <u>Operating Expenses</u>	
Payroll (excluding owner's draw)	\$ _____
Payroll Taxes	\$ _____
Advertising	\$ _____
Car, Deliver, Travel	\$ _____
Depreciation	\$ _____
Dues and Subscriptions	\$ _____
Insurance	\$ _____
Laundry	\$ _____
Licenses and Business Taxes	\$ _____
Maintenance and Repairs	\$ _____
Professional Fees	\$ _____
Rent	\$ _____
Supplies	\$ _____
Telephone	\$ _____
Utilities	\$ _____
Miscellaneous Expense	\$ _____
Total Operating Expenses	\$ _____
Profit or (Loss)	\$ _____

DEPARTMENT OF ECONOMIC DEVELOPMENT
DISCLOSURE OF INFORMATION
NOTICE TO APPLICANT

Disclosure of information requested by the Department of Economic Development is voluntary. However, failure to disclose certain items of information requested may result in a delay in the processing of an application or its rejection.

The primary purposes for collecting the requested information are to determine eligibility for a loan under the Targeted Small Business Finance Program (TSBFAP), to assess the creditworthiness of the applicant, to develop the most appropriate loan terms, and to provide statistical analysis. Information provided may be used outside of the Department of Economic Development for the following purposes:

1. Release to interested parties who submit requests for information under Iowa Code Chapter 22, Examination of Public Records.
2. To provide the basis for borrower success stories in Department of Economic Development news releases.
3. Referral to employers, businesses, landlords, creditors or others to determine repayment ability.
4. Referral to a credit reporting agency.
5. Referral to a person or organization when the Department decides the referral is appropriate to assist in the collection or servicing of the loan.
6. Referral to the State Records Management facility for storage.

Efforts will be made to protect the privacy of applicants and borrowers to the extent possible consistent with State law.

Unless treated as confidential under State law, all information supplied to the Department of Economic Development by you or your agents in connection with your loan application may be released to interested third parties, including competitors, without your knowledge or consent under the provisions of Chapter 22, Examination of Public Records. Information submitted may be made available to the public during the time it is held in Department files regardless of the action taken by the Department on your application.

My signature acknowledges that I have read the above, accept the conditions stated therein and have received a copy of the above Notice to Applicant regarding disclosure of information.

Signature

Date

DEPARTMENT OF ECONOMIC DEVELOPMENT
AUTHORITY FOR RELEASE OF INFORMATION AND RECORDS

I have been provided with a copy of a statement advising me that certain information is required to assist the Department of Economic Development in making a determination concerning my loan application under the Department's Targeted Small Business Financial Assistance program (TSBFAP) and that execution of this form is voluntary.

I hereby authorize and consent to the release of information and records bearing on my personal history; personal and business income; bank accounts; credit history; personal and business assets and liabilities; job performance; and arrests and convictions, if any, to representatives of the Department of Economic Development. The information will be used for the purpose of determining my eligibility for assistance under the TSBFP program.

This authorization is valid for the length of the contract with the Iowa Department of Economic Development after my signing. Upon request, a copy of this signed statement may be furnished to a present or former employer, present or former landlord, financial institution, creditor, state or federal agency, criminal justice agency, or other person furnishing information or record.

DATE (Year,Mo,Day)

NAME (Last,First,MI)

SIGNATURE

Subscribed and sworn to before me this _____ day of _____.

SEAL

Notary