



**Business Development Funds
APPLICATION AND PROGRAM GUIDELINES**

Project OPEN Overview

Project OPEN provides entrepreneurial education and business support to entrepreneurs who already own or want to start a business in Saline County. Applicants must reside in Saline County Kansas or own a small business in Salina Kansas. Project OPEN includes **Entrepreneur Training** and **Business Development Services**. Applicants must successfully complete Entrepreneur Training prior to qualifying for Business Development Funds.

Funding for Project Open is provided by the City of Salina, Salina Economic Development Incentive Council, Salina Area Chamber of Commerce, Salina Downtown, Inc. and in part, is made possible by funds from the Kansas Rural Business Development Tax Credit Program as administered by the Kansas Department of Commerce and as invested by the North Central Kansas Community Network Co.

Application for these funding programs are open quarterly, in February, May, August and November. Specific dates are announced annually. Grant Applications are not accepted outside of the published cycles. **If your Business Plan is to be reviewed by Linda Sutton or Phyllis Klima prior to the Grant Deadline it must be submitted to them three weeks prior to the due date.**

2010 CRITICAL DATES

<u>Business Plan Review</u>	<u>Grant Application Deadline</u>	<u>Grant Application Review Date</u>
January 11th	February 1st	February 15th
April 12th	May 3rd	May 17th
July 12th	August 2nd	August 16th
October 11th	November 1st	November 15th

Project OPEN Organizational Structure

Administration:

The Salina Area Chamber of Commerce is the contractual administrator of Project OPEN.

Entrepreneur Development Committee Duties:

The Entrepreneur Development Committee (EDC) is appointed to oversee this initiative. The committee's primary task will be to continually monitor market and expand Project OPEN. The Committee members are selected by whoever fills the following positions:

- City of Salina – City Manager or their Designee
- Salina Economic Development Incentive Council - Member or Designee
- Salina Area Chamber of Commerce - President/CEO or Designee

- Salina Area Chamber of Commerce - Member Board of Directors
- Salina Downtown, Inc. - Executive Director
- Salina Downtown Inc. - Board Member
- North Central Regional Planning Commission - Assistant Director or Designee
- North Central Kansas Small Business Development Center - Local Instructor
- Designee who can supply second language skills normally Spanish

The Entrepreneur Development Committee will review all Grant applications requesting Salina Economic Development Incentive Council (SEDIC) Business Development Funds (BDF) and make the final decision concerning the use of BDF based upon the applicants business plan meeting at least one of the Program Guideline objectives. This approval allows the application to proceed to the Financial Review Board for consideration of receiving Business Development Funds as a grant and the amount they will receive.

Financial Review Board Duties:

The Financial Review Boards membership has been structured to meet the requirements of multiple funding sources. The Financial Review Board is a five member panel and must have at least one entrepreneur, one banker, one representative of North Central Regional Planning Commission and two members at large. The Financial Review Board evaluates applications for Business Development Funds based on the established scoring matrix (See Below). The Financial Review Board has the authority to award Business Development Funds.

PROJECT OPEN ENTREPRENEUR DEVELOPMENT

The Project OPEN initiative establishes designated funding to support entrepreneurial development in Salina, with special emphasis on owner-operated businesses. The purpose of this project is to educate entrepreneurs in best business practices and help them establish or expand their businesses in Salina, Kansas. The project period associated with this funding request is five years to commence March 1, 2011. As in the initial project design, awarded projects will be followed and surveyed annually for three years. Therefore, the full project duration may be eight years.

The Salina Area Chamber of Commerce will administer this project in collaboration with Salina Downtown Inc. and a volunteer Project OPEN steering committee (EDC).

Project OPEN is a two step process including Entrepreneur Training and Business Development Funds. Applicants must successfully complete Entrepreneur Training prior to applying for Business Development Funds. Applicants must reside in Saline County Kansas or own a small business in Salina Kansas.

Eligible Applicants

1. Applicants may be existing business owners in Saline County.
2. Applicants for Entrepreneur Training need NOT have started a business. Applicants must be developing a business concept they intend to locate in the Salina, Kansas area.

Entrepreneur Training

As a prerequisite to apply for Business Development Funds, the applicant must complete an approved business training program and write or update their Business Plan. This program will provide up to a fifty percent (50%) tuition reimbursement for approved courses. Maximum reimbursement is one hundred dollars per business (\$100).

Applicants must complete one of the following approved Business Training Programs:

Option A

This program is a series of three (3), two (2) hour Small Business Development Center seminars. The SBDC seminars will be held in Salina and are led by the Director of the North Central Kansas Small Business Development Center (NCKSBDC). Participants may attend these courses in alternate attendance centers as approved by NCKSBDC Business Consultant.

1. **Learning the Basics of Money, Marketing and Management** (The 3M's) Essential information to assess the feasibility of your ideas to start or grow your business. Those completing this step will be ready to write a business plan and create cash flow projections.
2. **The Right Start – Using A Business Plan** – Details about developing the essential business plan are learned. A highly interactive session that will increase learning.
3. **Cash Flow** – Accurately calculate future sales and costs, determine working capital needs, and prepare for the future needs of new and existing businesses.

Option B

FastTrac® is a comprehensive entrepreneurship-educational program that provides entrepreneurs with business insights, leadership skills and professional networking connections so they are prepared to create a new business or expand an existing enterprise. The program was developed and is administered by the Kaufmann Foundation. A certified instructor provides the training.

The FastTrac® program includes practical, hands-on business development programs and workshops for existing entrepreneurs, aspiring entrepreneurs, as well as entrepreneurship curriculum. FastTrac® is designed to help entrepreneurs hone the skills needed to create, manage and/or grow successful businesses.

Participants work on their own business ideas or ventures throughout the program - moving their venture to reality or new levels of growth. Participants have direct access to on-line tools to assist with writing their business plan. Tools include formatted business plan document, complete financial spreadsheet calculators and marketing research resources.

Special arrangements will be made for entrepreneurs needing instruction in a language other than English.

Business Development Funds

Eligible Applicants

Eligible applicants must have completed Entrepreneur Training, which includes an approved training program and complete or update a business plan, prior to applying for Business Development Funds. No application for Business Development Funds will be accepted without confirmation of successful completion of Entrepreneur Training. Applications are capped at a request of \$5,000 dollars.

Applicants must own an existing business or be developing a business concept they intend to locate in Saline County.

Project Objectives

The Business Development Funds are intended to accomplish two objectives, per the Salina Economic Development Strategic Plan, adopted by the City of Salina and the Salina Area Chamber of Commerce:

1. Increase the ability of the firm to attract customers that are currently not in the Salina market. This will increase the amount of trade and commerce occurring in Salina via new business activity.
2. Increase the ability of the firm to retain customers that are currently leaving the Salina market to purchase the product or service. This will increase the amount of trade and commerce occurring in Salina via better retention of business activity that should occur in Salina but doesn't.

PLEASE NOTE: The above objectives are specific to the SEDIC funds. As funding sources for "Project OPEN Business Development Funds" are diversified additional/different objectives may be applied to specific applications. It will remain the responsibility of the project administration to insure that the businesses receiving grants funded with SEDIC funds meet these criteria. The Project OPEN EDC administration will document compliance with one or both of these objectives prior to review of the application by the Financial Review Board.

Eligible use of Project OPEN funds:

Small Business Development Funds may be used to assist owner-operated businesses with objectives identified in their business plan. Some of those objectives may include:

1. Continuing Education: This is defined as tuition reimbursement for post secondary business courses offered through an accredited associate or degreed business program and/or vocational training or certification training defined in and required for implementation of the business plan. This is not a scholarship or grant to assist individuals seeking post secondary business degrees. Transcript with a minimum 2.0 GPA and/or a certificate of course completion will be required before reimbursement.
2. Professional Services: May include services of professionals identified within the business plan developed or updated as part of Entrepreneurial Training. Professional unit service rates will be subject to review and approval of the Entrepreneurial Development Committee. These professionals may include but are not limited to:
 - Accountants
 - Architects
 - Legal Counsel
 - Marketing Professionals
 - Design Professionals
3. Brick and Mortar Improvements: Projects may include but are not limited to:
 - Building expansion
 - Facade renovation and restoration (emphasis on removal of façade modifications which have not reached historical significance on building aged 50 years or older)
 - For Lee District applicants ONLY - Work complying with Lee District Design Guidelines and contingent on Design Review Board approval. Lee District businesses may include up to 50% funds received from the Small Business Development Program as a source of matching funds for Salina Downtown, Inc. Development Incentive Program (formerly Exterior Improvement Program).
 - Vacant building redevelopment

A CONSOLIDATED SNAPSHOT OF ALL COMPANIES AWARDED FUNDS

1. Full-time employees (headcount, including owners working full time in the business):
2. Part-time employees (headcount and hours worked week):
3. Annual revenue:
4. Annual net income/ (loss):
5. If applicable, Full-time jobs created as result of fund award & average salary of job:
6. If applicable, Part-time jobs created as result of fund award & average wage of job:
7. Additional public funds leveraged through Business Development Funds
8. Additional private funds leveraged through Business Development Funds
9. Report shall include details addressing the following:
 - a. Describe the progress of the business during the period.
 - b. Have any significant problems been encountered during the last six months that have affected this business? If so, describe each problem, the resulting impact on the business, and the action(s) you have taken to assist or solve the problem(s).
 - c. Describe technical assistance provided by Project OPEN partners during reporting period.
 - d. Are there any additional Project OPEN partners who might be able to assist the business?
 - e. Are you aware of any additional benefits to Salina and Kansas that have occurred as a result of this project (for example, increased business for your suppliers)? If yes, please explain.

Financial Review Board or Entrepreneur Development Committee Process

The five member Financial Review Board evaluates applications for all loans or grant funds except Business Development Funds based on the established scoring matrix (See Below). The Entrepreneur Development Committee has the authority to award Business Development Funds. Applications for all loans or grants will be reviewed within 30 days of the application deadline.

CRITERIA	Strength (1 low-5 high)	Weight (% of Total)	Weighted Score
Financial soundness		20	
Owner/operator experience		15	
Business Plan		15	
Potential economic impact			
A. Business on community		10	
B. Project OPEN funding on business		10	
Owner/3rd party funding		15	
Future Prospects for growth		10	
Quality of life impact		5	
TOTAL		100%	

Criteria Definitions

The Project OPEN Financial Review Board and Entrepreneur Development Committee will use the following definitions to evaluate applications:

Financial Soundness 20 points

The business plan must include a financial plan based on sound financial principals. Please note that credit reports and scores are not required when applying for grant funds. Credit reports will be required if applying for revolving loan funds.

For existing businesses, the financial plan must include three year history of the following:

- Cash flow
- Actual profit loss statements
- Yearend balance sheet

For Start Up and New Businesses (less than one year in operation) the plan must include projected:

- Startup costs
- Operating expenses
- Capital budget
- Three year cash flow
- Three year income/expense statement
- Three year balance sheet

Owner Operator Experience 15 points

The management team's business experience that directly or indirectly relates to their business.

Business Plan 15 points

The business plan should precisely define its business, identifies its goals, and serves as the firm's resume. The business plan should include:

- Venture/Project Description
- Management and Organization Plan
 - What form of organization does the business operate under, and why? Who are the key management team members and what skills do they have to help the business? Who are the key support groups for your management team, including accountants, attorneys, consultants, board of directors and advisory board members?
- Marketing Plan
- Financial Plan

Potential Economic Impact

A. Business on Community 10 points

The economic impact of this business startup or expansion on the community in which it is located.

A key objective of Project OPEN is to increase the ability of firms to attract customers that are currently not in the Salina market and/or to retain customers that are currently leaving the Salina market to purchase the product or service.

B. Project OPEN funding on Business 10 points

The economic impact of Project OPEN funding on the start up or expansion of this business. Project OPEN funding should be essential for implementation of the business plan. Project OPEN support needs to be essential for the plan to implemented at the level and time frame as proposed.

Owners/3rd party funding 15 points

The business plan must indicate all anticipated or secured funding sources. These may include:

- Owner investment
- Traditional Commercial Loan
- Other Private Investment
- Credit Card Financing
- Other

Future Prospects for Growth 10 points

The future prospects for short and long term growth of the business.

Quality of Life impact 5 points

The business' impact on the quality of life of the community in which the business is located.

**Project Open Business Development Grant Funds
Application Check List**

_____ Completed application form

_____ Business Plan

_____ Signed Marketing Release of Information

_____ Verification of completion of Project Open Entrepreneur Training

_____ I have completed the KSBDC series (including: Meeting the 3 Ms – Learning the Basics of Money, Marketing & Management, The Right Start – Using a Business Plan and Cash Flow Made Easy) or;

_____ I have completed FastTrac®

Marketing Release of Information

By submitting an application for financial assistance, the Client (prospective grant or loan recipient) agrees to the following Marketing Release of Information* to be used by Project Open administered by the Salina Area Chamber of Commerce for the purpose of promoting the successful delivery of services to entrepreneurs and small business owners.

Marketing Release of Information*

Upon receiving notification that the Financial Advisory Committee has selected the Client to receive financial assistance, the Client agrees to provide pertinent information to the Salina Area Chamber of Commerce for the purpose of preparing a news release for distribution to other Resource Partners and media outlets as determined by the Salina Area Chamber of Commerce;

Information for the news release will be obtained primarily from the Project Open application, the Salina Area Chamber of Commerce and grant recipient's Web sites and previously published information, and by phone interviews with representatives of both parties;

The Salina Area Chamber of Commerce 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 and therefore not already considered to be in the public domain. 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;

The Salina Area Chamber of Commerce will disseminate a news release and related information to external media outlets only after the grant is approved and closed by the Salina Area Chamber of Commerce;

In addition to disseminating the resulting news release to media outlets, the Salina Area Chamber of Commerce may distribute all or part of the news release and related information to organizations, networks and individuals via Email, the Salina Area Chamber of Commerce, and third-party Web sites, blogs, instant messaging, chat rooms, message boards, et...

I have read and agree to the terms described in the Marketing Release of Information Declaration.

Yes_____ No_____

Authorized Business Representative

____/____/_____
Date