# City of Columbus



# Columbus Small Business Loan Program (CSBLP)





...The Columbus Small Business Loan Program has funding available from the United States Department of Agriculture -Rural Development for small and emerging private business enterprises located, or locating within the corporate limits of the City of Columbus.

> Kristen S. Brown Mayor

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 Columbus Small Business Loan Program (CSBLP) is to provide loans and technical assistance to small and emerging businesses in Columbus. Loans will be available for, but <u>not</u> limited to, those businesses impacted by the flood so they may get back in business while creating or retaining employment for persons within the community.

#### Loan Criteria

The decision to approve a loan will be based, in large part, on the ability of the business to: 1) demonstrate that a loan is necessary; 2) that it will have a positive impact on employment; 3) that the business can repay the loan; and 4) that it has proof of sufficient collateral.

#### Who can borrow?

A loan can be made to a new or existing business located within the corporate boundaries of Columbus. 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 employees and has less than \$1 million in projected gross revenues." At least 51 percent of the business applying for a loan 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 \$5,000. The maximum loan amount is \$20,000. Exceptions to these caps will be considered on a case by case basis by the 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 may 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 1-4%, typically not to exceed prime rate. Repayments will be made monthly. Payment deferrals may be available for up to six months.

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

The applicant must create, or retain at least one full time job to be eligible for up \$10,000 in loan funds from the CSBLP. To be eligible to receive the maximum \$20,000, applicant must create or retain two full time jobs (\$10,000 per job retained or created).

#### Is technical assistance available?

Yes, Columbus has made arrangements 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 Columbus Enterprise Development Corporation to help them develop their business plan. This program includes helpful information on practical business issues, including tax issues, bookkeeping, and marketing. One-on-one technical assistance will be available to help borrowers with specific challenges they will 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 CSBLP program application form. Mail or deliver the application and all supporting materials to the Community Development Department, 123 Washington Street, Columbus, IN 47201.
- 2. City 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 after the City has received your application and supporting materials.
- 4. If you have an <u>existing business</u> (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 have a <u>new business</u> (in business for less than one year), your application must include a <u>business plan</u>, prepared by you, reflecting how your business will operate.
- 6. If you do not have a business plan, an adequate business plan will be required <u>prior</u> to being considered for financing under the CSBLP. 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.
- 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 CSBLP Review Committee.
- 8. The CSBLP Review Committee/Board of Public Works and Safety will consider the request and approve or deny your loan request. If a loan is denied, 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. Upon completion of a positive assessment, the loan process will continue. 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 CSBLP 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.

# **CSBLP Program Application**

# **Section I, Business Information:**

Name Name	Home Address	Home Phone	E-mail Address
Business Name:			
			State: Zip:
Business Phone: ()	) Fax #: (	_) E-mail Add	dress:
Describe Type of Bus			
Business Status: (Che Type of Business Org Partners "S" Corp	anization: hip	* *	(over 12 months)  Not yet established Other:
Date Business Establi	shed:	Federal ID#:	
Is this a female owned	d business? $\square$ Yes $\square$ No		
Have you met all the	legal requirements necessary to e	establish your business?   Yes	□ No
Any personal or busin	ness judgments or bankruptcy or	insolvency proceedings, or unsett	led lawsuits or major disputes?
☐ Yes ☐ No			
If Yes, Please Explain	n:		
Section II, Em	ployment Information	:	
	r of Employees (existing busines		
Part time	_ @ Hourly Rate of \$	Hours worked per week Hours worked per week	_
Family		Hours worked per week	
Self	@ Hourly Rate of \$		
Planned Total Numbe	er of Employees <b>if CSBLP appro</b> v	ved:	
Part time	_ @ Hourly Rate of \$	Hours worked per week	<u></u>
Full time	@ Hourly Rate of \$	Hours worked per week	<u></u>
Family	_ @ Hourly Rate of \$		
Self	@ Hourly Rate of \$	Hours worked per week	<u> </u>

## Section III, Cash Flow Projection (form is available in digital format upon request)

From to , 201 . Business Name:
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Month of:							Total
Cash Sales							
Rental Income							
Total Income:							
Direct Expenses:							
Inventory Purchases							
Supplies							
Packaging/Shipping							
Wages/Payroll							
Fringe Benefits							
Payroll Taxes							
Overhead Expenses:							
CSBLP Payment							
Other Loan Payment							
Licenses & Fees							
Rent/Mortgage Payment							
Telephone							
Utilities (gas, water, electricity)							
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 CSBLP 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?  $\square$  Yes  $\square$  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? \( \bullet \) Yes \( \bullet \) 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 CSBLP and other funds. (Use additional sheets if needed.) **Description CSBLP** Other <u>Item</u> **Funds** Funds\* \$\_\_\_\_\_ 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 (list): Mortgage (describe property): Other, explain: Have you contacted a bank for financing? ☐ Yes ☐ No Was financing approved? ☐ Yes ☐ No

# Full Name: Date of Birth \_\_/\_/\_\_ Present Address: \_\_\_\_\_ City: \_\_\_\_ State: \_\_\_ Zip: \_\_\_\_ Home Phone: ( ) Marital Status: Head of Household Yes No Social Security Number \_\_\_\_\_ - \_\_\_\_ - \_\_\_\_ Are you a veteran? $\square$ Yes $\square$ 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: Name Address Phone # \_\_\_\_\_ (\_)\_\_\_\_ \_\_\_\_\_(\_)\_\_\_\_ **Income: Sources of Income Amount Total Monthly Income**

**Section VI, Personal Financial Information:** 

Expenses:	
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Household  Monthly Expenses		Mon	Household thly Payments	
Source	<u>Amount</u>	Creditor	Acct #	<u>Payment</u>
	\$		#	\$
	\$		<u>#</u>	\$
	\$		<u>#</u>	\$
	\$		#	\$
	\$		#	\$
	\$		<u>#</u>	\$
	\$		<u>#</u>	\$
	\$		#	<u>\$</u>
	\$		#	\$
	\$		#	\$
	\$		#	\$
	\$		#	\$
	\$		#	\$
	\$		#	\$
<b>Total Monthly Expenses</b>	\$	<b>Total Monthly Paym</b>	nents	\$
		Total Monthly Expe	nses & Payments	\$
Are you a co-maker, endorser	r or guarantor on a	ay loan or contract?	Yes  No	
Do you currently have any bi		_	_	
Are any of your obligations n		· -	Yes $\square$ No	
Are there any suits or judgme	ents currently pendi	ng against you?	Yes	
Are you currently on probation	on?		Yes	
Have you ever filed for bankı	ruptcy?		Yes	
A "Yes" answer must be expl	ained:			

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: Before we begin evaluating your application, if you have an note them below.	y specific questions which you would like answered, please					
Section IX, Certifications:  Please read the following and sign the Application Form be The information in this loan application is provided for the property that the information is accurate to the best of my knowledge. It is mation may be requested pursuant to this Loan Application vided to the city and/or the CSBLP Center of Administrative Program retains the sole discretion as to whether this Loan aright to accept or decline the loan amount, rate, and terms applications.	purpose of applying for funds under the CSBLP Program. understand that personal and/or business and credit inforand I hereby give my consent for such information to be proe Resources association. I also understand that the CSBLP Application is approved, disapproved, or modified. It is my					
Name (Printed):	Name (Printed):					
Signature:	Signature:					
Date:	Date:					
	City of Columbus					
	Clark Greiner Business Development and Planning Coordinator Community Development Department Phone: 376-2520 Fax: 376-2565 Email: cgreiner@columbus.in.gov					
City of Columbus Use Only  Date Received: Date(s) Reviewed:	Tracking Status: □ □ □					

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Clark Greiner
Business Development
and Planning Coordinator
Community Development Department
123 Washington Street
Columbus, IN 47201

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