



## **PROGRAM SERVICES GUIDELINES**

### **ASSISTANCE PLAN**

Assistance plans will be developed with each applicant that completes the intake interview. Intake staff recommendations will be included in the assistance plan.

As a prerequisite, startup business applicants are required to successfully complete an approved business training program as part of their Project OPEN assistance plan prior to applying for Business Development Funds. *For business applicants not considered a startup business*, completion of business training as recommended in the assistance plan is not required in order to be formally considered for non-SEDIC funding only. Please note that other funding sources may still require completion of this training. In addition, the distribution of SEDIC grant funds is a highly competitive process. As a result, startup business applicants achieving successful completion of all business training program courses is required because it is expected to have a direct impact on the quality of an applicant's business plan submittal.

All applicants are required to write or provide a current and up-to-date business plan to apply for Project OPEN funding. Any funds award by Project OPEN are related to meeting program objectives and will primarily rely upon the strength of the business plan submitted for such funding assistance.

### **ENTREPRENEUR TRAINING**

## **Project Open Business Training Workshops**

In Partnership with Kansas State University Polytechnic Campus  
and Salina Area Chamber of Commerce

**1) Basics of Marketing, Management, and Strategy** - *Focused training on essential information to assess the feasibility of your ideas to start or grow your business. Those completing this step will have the base knowledge of the components of a standard business plan.*

Includes the following concepts:

- Your mission: What you do, who you serve, and why
- Your vision for the future: A picture of your business in 5 years, how you will get there
- Your Team
- Knowing the options: How to structure / organize your business;
- External and internal environment: customers, competitors, regulatory environment
- The 4 P's of Marketing: Product, price, place; promotion
- What is your target market; how will you communicate with prospective buyers
- Who are your competitors and what is your competitive advantage;
- Intellectual property and product development / life cycle
- Potential for growth

**2) Financial Basics and Tools** – *Training geared to accurately calculate future sales and costs, determine working capital needs, and prepare for the future needs of new and existing businesses.*

Includes the following concepts:

- Conducting break-even analysis;
- Forecasting sales, costs, assets, liabilities;
- Understanding tax compliance;
- Exploring financial statements;
- Determining working capital needs;
- Define funding needs.
- The Go No-Go Decision

### **BUSINESS DEVELOPMENT SERVICES**

Project OPEN business development services include limited grant and loan funds which are awarded competitively, ongoing mentoring, and service referral for entrepreneurs and businesses in Saline County, with special emphasis on owner-operated businesses. All applicants are required to write or provide a current and up-to-date business plan when applying for any Project OPEN funding. Project OPEN participants are not required to apply for any Project OPEN funding to receive other Project OPEN business development services.

Several Project OPEN partners are willing to assist with an advance review of an applicant's business plan and application for funding. However, all information must be submitted to reviewers no later than 3 weeks prior to the application deadline.

Applications for business development funds are reviewed as received and are on a first come first served basis.

### **BUSINESS DEVELOPMENT FUND GUIDELINES**

Project OPEN business development funds include:

- One time grant of up to \$5,000 dollars
- Project OPEN E-Community/Startup Kansas loan of up to \$1.50 per qualified partner grant or loan dollar awarded
- SDI Development Incentive Program new business loan of up to \$5,000\*
- Salina E-Community Loans are capped at \$45,000 per state rules (matching formula applies)

\* **NOTE:** Business must be located within or must locate or relocate to the (Salina Downtown Business Improvement District) to be eligible for Development Incentive Program New Business Loans.

### **BUSINESS DEVELOPMENT FUNDS**

Maximum request for grant funds is \$5,000. Businesses or individuals may only receive Project Open grant funding once even if they are starting a separate business from the one that has already received grant funding.

## Project Objectives

Business development funds are intended to accomplish two objectives:

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.

### Eligible use of Project OPEN funds:

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. Transcripts 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. Professional unit service rates will be subject to review and approval of the Financial Review Board. 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
  - Vacant building redevelopment
  - Facade renovation and restoration (emphasis on removal of façade modifications which have not reached historical significance on building aged 50 years or older)
  - For SDI District applicants ONLY - Work complying with District Design Guidelines and contingent on Design Review Board approval. District businesses may include up to 50% funds received from the Business Development Program as a source of matching funds for Salina Downtown, Inc. Development Incentive Program.
4. Marketing: Projects may include but are not limited to:
  - Marketing Research
  - Printing
  - Design
  - Signage
  - Marketing/advertising costs identified in the business plan. For existing businesses, these must be new costs above the previous annual marketing costs.
5. Equipment critical to implementation of the business plan
6. Additional product lines or major product line expansion as projected in the business plan
7. Additional or significantly expanded services as projected in the business plan.

## REPORTING REQUIREMENTS FOR FUNDED PROJECTS

Project OPEN participants that receive business development funds will be required to submit annual progress reports. These report requirements will be consistent with requirements of Project OPEN funding sources. Annual reports of each funded project will include company information and a consolidated snapshot of all awarded funds.

### COMPANY INFORMATION

Company name: \_\_\_\_\_

Primary contact: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Entity type: \_\_\_\_\_

### A CONSOLIDATED SNAPSHOT OF THE BUSINESSES AWARDED FUNDS

1. # Existing full-time employees (including owners in the business): \_\_\_\_\_

2. # Part-time employees and # hours worked week: \_\_\_\_\_

3. Annual revenue: \_\_\_\_\_

4. Annual net income/ (loss): \_\_\_\_\_

5. If applicable, # of Full-time jobs created as result of fund award & average salary of each job: \_\_\_\_\_

6. If applicable, # of Part-time jobs created as result of fund award & average wage of each 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?

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

The five-member Financial Review Board evaluates applications for all grant and/or loan funds based on the established scoring matrix (See Chart 1). Applications for all business development funds will be reviewed within 30 days of the application deadline.

**CHART 1.** Application Scoring Criteria

<b>CRITERIA</b>	<b>Strength (1 low-5 high)</b>	<b>Weight (Point Value)</b>	<b>Weighted Score (ZERO disqualifies application)</b>
<b>1. Financial soundness</b>		20	
<b>2. Owner/operator experience</b>		15	
<b>3. Business Plan</b>		15	
<b>4. The potential economic impact on;</b> <b>A. Business on community</b> <b>B. Project OPEN funding on business</b>		10 10	
<b>5. Owner/3<sup>rd</sup> party funding</b>		15	
<b>6. Future prospects for growth</b>		10	
<b>7. Quality of life impact</b>		5	
<b>TOTAL</b>		100	

*NOTE: A weighted score of ZERO in any one of criteria 1-7 will disqualify the application for funding at the time of review. The applicant may reapply during a later application period.*

**Maximum score is: 500 points/Weighted Score below 100 is not considered for funding.**

**A weighted average score is obtained by compiling all individual score sheets and listing the scores from high to low prior to making any funding decisions. The higher the score, the more likely that funds will be awarded in that quarter.**

## Criteria Definitions

The Project OPEN Financial Review Board will use the following definitions to evaluate applications:

### 1. Financial Soundness 20 points

The business plan must include a financial plan based on sound financial principals. A personal financial statement is required as part of the application.

For existing businesses three (3) years or older, the financial plan must include current history of the following:

- Cash flow
- Actual profit loss statements
- Yearend balance sheet
- Three year cash flow
- Three year income/expense statement
- Three year balance sheet

For startup and new businesses (less than three years in operation) the plan must include projected:

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

### 2. Owner Operator Experience 15 points

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

### 3. 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
- Marketing plan
- Financial plan

4. Potential Economic Impact on:

A. The business on the 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. Factors to consider when determining the ability of the project to achieve these objectives include, but are not limited, to the following aspects: market acceptance and the local/non local growth rate potential for the particular product or service, the degree the specific proposal will stimulate the existing market, the level of local/non local competition in the next three years, proprietary features that distinguish the project from its competitors and the extent to which the project creates a new market.

B. Of Project OPEN funding on the business 10 points

The economic impact of Project OPEN funding on the startup 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 be implemented at the level and time frame as proposed.

5. Owners/3<sup>rd</sup> 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

6. Future Prospects for Growth 10 points

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

7. Quality of life impact 5 points

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