



## APPLICATION GUIDELINES FOR PROJECT OPEN BUSINESS DEVELOPMENT GRANT 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. Applications are not accepted outside of the published cycles.

### 2009 CRITICAL DATES

#### Application Deadline

**August 3**

**November 2**

#### Awards Date

**August 17**

**November 16**

**Project Open** 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 Grant Funds.

**Entrepreneur Training** is available through KSBDC and FastTrac® courses. These fee based courses focus on best business practices and business plan development. The course fees may be partially reimbursable upon satisfactory completion.

**Business Development Services** include competitive grants and mentoring support. Entrepreneurs who successfully complete the educational component and who own an existing business located in Saline County or are developing a business concept they intend to locate in Saline County will be eligible to apply for a one time grant of up to \$5,000 to fund eligible expenses as further described below. The decision to award the funds rests solely with the Project OPEN Partners. If you are awarded funds, Project Open will monitor to assure that the awarded funds are used as you have stated in your grant application. Project Open extends further support by providing participants with a network of experienced, successful business mentors they may rely on after the courses end and they continue building their business.

## **PROJECT OPEN BUSINESS DEVELOPMENT GRANT FUNDS**

Project Open Business Development Grant (POBDG) Funds provide partial reimbursement for eligible use of funds described below. Successful applicants receive disbursement of POBDG funds after submittal of POBDG Report Form and copies of invoices for approved expenses to the Project Open administrator, Larry Powell, Salina Area Chamber of Commerce.

### ***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.

### ***Eligible Use of 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 tuition reimbursement for post secondary business courses offered through an accredited associate or degreed business program. 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 Project Open partners. 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 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).

4) Marketing: Projects may include but are not limited to:

- Marketing Research
- Design
- Marketing/advertising costs identified in the business plan. For existing businesses, these must be new costs above the previous annual marketing costs.
- Printing
- Signage

- 5) Additional product lines or major product line expansion as projected in the business plan.
- 6) Additional or significantly expanded services as projected in the business plan.

***Ineligible Use of Funds:***

Primary industrial projects are **NOT** eligible to apply for these funds. Primary industrial projects are encouraged to apply directly to the Salina Economic Development Incentive Council for funding consideration.

This application must be completed in full. The following list of items should also be included with the application; noting that additional consideration will be given to applicants that provide the maximum information.

**Items to include with your application:**

- A complete business plan
- Financial reports and/or a bank financial application
- Resumes and references for the principals of the business
- Employment projections

Applicants requiring assistance with completion of any part of this application or the recommended inclusions should contact one or more of the following local resources.

Salina Area Chamber of Commerce  
Larry Powell, Business Retention & Expansion  
Phone: (785) 827-9301  
Fax: (785) 827-9758  
120 W Ash Street  
PO Box 586  
Salina, KS 67402-0586  
[lpowell@salinakansas.org](mailto:lpowell@salinakansas.org)

North Central Kansas Small Business  
Development Center  
Linda R. Sutton, MBA, Business Consultant  
Phone: (785) 243-9913  
FAX (785) 243-2014  
606 Washington Street, Suite C  
Concordia, Kansas 66901  
[linda.sutton@ncksbdc.com](mailto:linda.sutton@ncksbdc.com)

Salina Downtown, Inc.  
Phyllis Klima, Executive Director  
Phone: (785) 825-0535  
FAX: (785) 825-7216  
205 W Ash Street  
PO Box 1065  
Salina, KS 67402-1065  
[pklima@salinadowntown.com](mailto:pklima@salinadowntown.com)

Completed applications will be reviewed and scored by the Financial Advisory Board.

*It should be noted that this program is in its infancy, and is part of a pilot program. As such, the application process will be a work in progress, and should be expected to be fluid in nature.*

# Project Open Program Management Guidelines

## 1. Project Open Financial Advisory Board

Kent Buer, Senior Vice President  
 First Bank Kansas  
 235 S Santa Fe Avenue  
 Salina, KS 67401  
 (785) 825-2211

Robert Protzman, Manager  
 Salina Media Group  
 131 N Santa Fe Avenue  
 Salina, KS 67401  
 (785) 823-1111

Randall Graham, Owner  
 The Mortgage Company  
 155 N Seventh Street  
 Salina, KS 67401  
 (785) 825-8100

Judith Irwin, Board Member  
 North Central Regional Planning Commission  
 300 W Ash Street  
 Salina, KS 67401  
 (785) 309-5760

Tonya Montgomery, Owner  
 Showcase Diamond Jewelers  
 2328 Planet Ave  
 Salina, KS 67401  
 (785) 823-1313

2. The Project Open Financial Advisory Board will meet the quarterly or as needed at the Salina Area Chamber of Commerce. The Advisory Board is tasked with making decisions with regard to application approval and subsequent funding. The board will review applications deemed complete by the local managing agency (Salina Area Chamber of Commerce), and a follow-up interview will be scheduled with the applicant(s) receiving preliminary approval. During the Financial Advisory Board will rate the application using the following rubric which places emphasis on established criteria as indicated. Please use the table below to guide your decisions when preparing the application.

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/3 <sup>rd</sup> party funding		15	
Future Prospects for growth		10	
Quality of life impact		5	
<b>TOTAL</b>		<b>100%</b>	

### Tabulating Scores

Each criterion is scored on a scale of 1 (low) to 5 (high). The scores of the each Financial Advisory Board member are added together and multiplied by the weighted percentage of each criterion. The resulting number is the Total Weighted Score for the Applicant. The higher the Total Weighted Score the more likely the applicant will receive Project OPEN Business Development Funds.

## ***Criteria Definitions***

The Project OPEN Financial Advisory Board will use the following definitions to evaluate applications for Project Open Business Development Funds:

### Financial Soundness 20 points

The business plan must include a financial plan based on sound financial principals.

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

- Cash flow
- Actual profit loss statements
- Year end 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
- 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.

#### B. Project OPEN funding on Business 10 points

The economic impact of Project Open funding on the start up or expansion of this business.

### Owners/3<sup>rd</sup> party funding 15 points

The business plan must indicate all anticipate 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.

Applications approved for funding by the board will be forwarded to the Salina Area Chamber of Commerce. The Chamber will notify the applicant of the approval, collect any additional information required, and forward the application with a check request for processing.

Those applicants that are denied funding will be provided a list of considerations that could be addressed to improve the prospects for approval. Revised applications may be re-submitted no sooner than 90 days after initial application.

3. The Salina Area Chamber of Commerce will provide administrative support to Project Open.

# Application Form

## 1. Applying Local/Regional Organization

1. Name of local/regional organization Salina Area Chamber of Commerce

2. Name of Primary Contact Larry Powell,

3. Title of Primary Contact Director of Business Support and Retention

4. Mailing Address PO Box 586

5. Phone Number (785) 827-9301

6. Fax Number (785) 827-9758

7. Email Address lpowell@salinakansas.org

## 2. Client Information

8. Name of entrepreneur or small business \_\_\_\_\_

9. If company, list entity type (LLC, sole proprietorship, etc.) \_\_\_\_\_

10. Name of Primary Contact \_\_\_\_\_

11. Title of Primary Contact \_\_\_\_\_

12. Mailing Address \_\_\_\_\_

13. Phone Number \_\_\_\_\_

14. Fax Number \_\_\_\_\_

15. Email Address \_\_\_\_\_

16. Does the entrepreneur or small business owner have a tax liability in arrears with the Kansas Department of Revenue or the IRS? \_\_\_\_\_

17. Will the business be located in the same city listed in Question 12? \_\_\_\_\_

18. If No, physical address of where business is/will be located \_\_\_\_\_

19. Are the funds for a business startup, or are they for the expansion of an existing business? Provide relevant details (length of time in business, business name or entity changes, etc.).



21. Check all eligible use of funds categories you intend to apply under:

\_\_\_\_ A) Continuing Education

\_\_\_\_ B) Professional Services

- Accountants
- Architects
- Legal Counsel
- Marketing Professionals
- Design Professionals
- Other

\_\_\_\_ C) Brick and Mortar Improvements: Projects may include but are not limited to:

- Building expansion
- Vacant building redevelopment
- Facade renovation and restoration

\_\_\_\_ D) Marketing: Projects:

- Marketing Research
- Design
- Printing
- Signage
- Marketing/advertising costs
- Other (explain) \_\_\_\_\_

\_\_\_\_ E) Additional product lines or major product line expansion as projected in the business plan.

\_\_\_\_ F) Additional or significantly expanded services as projected in the business plan.

22. Tell about the business, its owners and key employees.

23. Provide projected sales, sales growth and any projected employment growth from this project.

**3. Requested Funding Information**

24. Total Amount of funding requested \_\_\_\_\_

25. Date Funds are needed \_\_\_\_\_

26. Amount of funds being provided by private lenders \_\_\_\_\_.

27. Describe any additional funding that will be utilized in this project.

28. Explain specifically how the funds will be used.

## 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 \_\_\_\_\_

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Authorized Business Representative

/ /  
Date

## **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)

\_\_\_\_\_ I have completed FastTrac®