



The Missouri Small Business Loan Program

Guidelines and Application

January 2011

Sponsored by:

*The Missouri Department of Economic Development (DED) and
the Missouri Development Finance Board (MDFB)*

<http://www.ded.mo.gov/MOloan/>

The Guidelines for the DED/MDFB Missouri Small Business Loan Program

Purpose Statement:

In January 2009, Governor Nixon signed Executive Order 09-03. That order, provided below, focused on the needs of small businesses in this economy. Of particular importance was access to capital and the availability of low-interest or no interest loan funds. That Executive Order directed the Department of Economic Development (DED) to work together with the Missouri Development Finance Board to create such a pool of funds for that purpose. This Application and Guidelines are the product of that collaboration.

Executive Order 09-03

WHEREAS, small businesses are vitally important to the economy of the State of Missouri; and

WHEREAS, according to the Quarterly Census of Employment and Wages, businesses of fewer than 50 employees account for 94% of the businesses in Missouri; and

WHEREAS, small businesses will help to provide the high-paying jobs of the future in the State of Missouri; and

WHEREAS, the Missouri Department of Economic Development is a state agency dedicated to job creation and works collaboratively with other state entities in furtherance of its mission; and

WHEREAS, the Missouri Development Finance Board is a state entity that also plays a significant role in job creation; and

WHEREAS, it is important to the success of Missouri small businesses that they have access to low-interest or no-interest capital, particularly in these challenging economic times.

NOW, THEREFORE, I, JEREMIAH W. (JAY) NIXON, Governor of Missouri, by virtue of the authority vested in me by the Constitution and laws of the State of Missouri, do hereby direct the Missouri Department of Economic Development, working together with the Missouri Development Finance Board, to create a pool of funds designated for low-interest and no-interest direct loans for small businesses.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Missouri, in the City of Jefferson, on this 13th day of January, 2009.

*Jeremiah W. (Jay) Nixon
Governor
State of Missouri*

Small Business Loan Program DED/MDFB Guidelines

Loan Program Parameters:

1. The loan program is statewide;
2. The total original loan pool is \$2M;
3. The interest rate is 3 percent;
4. The terms are typically 10 years or less but may be adjusted for adequate debt coverage. Loan repayment is quarterly principal and interest payments;
5. Payments may be auto debited from a checking or savings account;
6. The minimum loan amount is \$2,500 and the maximum loan amount is \$50,000;
7. The number of loans per household may be limited to 1;
8. The applicant must employ 15 or fewer employees, including the owner;
9. The company must be 100 percent Missouri owned and 100 percent Missouri located;
10. The company must be registered with the Secretary of State in good standing;
11. The company may not be a retail or gambling entity, a check cashing service (unless associated with a bank), a pawn broker service, resale of donated or used goods, liquidation sales, day labor services, job training services, sale or distribution of alcohol or tobacco products, web based or print newspapers or magazines, speculative real estate, radio or television stations. The owner may not be employed by the State of Missouri;
12. Loan proceeds may be used for working capital, inventory, equipment purchase, real property improvements (owned by borrower) but cannot be used for refinancing of existing debt or outstanding debt payments; (see funding guidelines below)
13. Loan proceeds must begin to be drawn within 60 days of the loan approval date and all loan proceeds drawn within 1 year of the approval date (unless authorized additional time by DED and MDFB). Failure to draw funds within this time line will result in requiring the resubmission of an amended application and an additional credit review. This loan is not a line of credit;
14. Loan origination, collateralization, and loan servicing may be provided by an entity contracted by the MDFB;
15. Loan recipients must produce a business plan either at the time of application or prior to the disbursement of any loan funds. Applications may be submitted without a plan but the application must reflect the plan to complete and submit one to the DED. Assistance with completing a plan may be found by contacting the Small Business Development Center in your area. Contact information may be found on the web at www.missouribusiness.net;
16. Determination of loan delinquency and default is made by the MDFB. Late payment fees may be assessed;
17. The company must provide a certificate of insurance naming MDFB as an additional insured on their business insurance each time a policy is renewed;
18. Loan collections will be referred to the Financial Services Division of the Missouri Attorney General's Office.

Loan Funding Guidelines:

1. Acceptable working capital expenses include the below expenses:
 - General Liability Insurance, Property Insurance, and Workers Compensation;*
 - Health Insurance;*
 - Leases/Rent (a copy of the lease is required);*
 - Payroll (NO OWNER SALARIES);*
 - Contractors (need contract and billing for services);
 - Telephone, Internet, utilities; *
 - Supplies. *

*Expenses incurred within three (3) months prior to approval of the application qualify with acceptable documentation evidencing incurrence or payment of these expenses.

2. Acceptable equipment expenses include:
 - Paid for equipment (may be reimbursed if purchased within the previous 3 month period);
 - Unpaid for equipment (a bid/quote or invoice is required to be reimbursable and a check will be made to vendor and loan applicant).

Loan Application Instructions:

1. Loan applications must be made on the form attached.
2. One (1) original signed copy shall be postmarked or delivered to:
Missouri Department of Economic Development
Governor Nixon's Small Business Loan Program
301 West High Street, Suite 680
P.O. Box 1157
Jefferson City, Missouri 65102
3. All loan applications shall be accompanied by at least two (2), originally signed, letters of character from Missouri citizens (names, addresses and telephone numbers included) who have personal and business relationships with the applicant (at least one letter from a personal relationship and one letter from a business relationship).
4. Loan applications that are not complete (all questions answered) or in compliance with steps 1-3 above may be considered non-responsive.
5. Applicants approved will be required to complete additional loan paperwork, including the payment of any reasonable processing fees, prior to accessing the loan funds.
6. Applicants must complete the Certification and Affirmation on pages 11 and 12 of the application.
7. Applicants must complete and submit form 943 to obtain a tax clearance certificate (valid for 45 days) from the Missouri Department of Revenue for each owner and the business. Form 943 is at <http://dor.mo.gov/forms/943.pdf>.
8. Applicants must be enrolled in E-Verify and submit an electronically signed Memorandum of Understanding. Find more information and enroll at <https://e-verify.uscis.gov/enroll/>.

Loan Application Checklist:

- One complete, original signed, and dated application submitted to DED
- One complete copy (keep for company file) for the applicant's own records and file
- One (1) copy of the business plan
- One (1) copies of at least two (2) character references in writing (see Item 4 Loan Application Instructions)
- Missouri Department of Revenue Tax Clearance Certificates (see Item 7 Loan Application Instructions)
- Memorandum of Understanding from E-Verify (see Item 8 Loan Application Instructions)
- Past three (3) years of personal and business (if applicable) tax returns.
- Signed and Notarized Certification and Affirmation page
- A \$15 nonrefundable check or money order made out to the Missouri Development Finance Board (for credit reviews)



DED/MDFB Small Business Loan Application

All applicants must read and follow the Guidelines section of this Application. The Guidelines section contains information on the Loan Program Parameters, the Loan Applications Instructions, and a Loan Application Checklist.

BUSINESS INFORMATION

Owner/Name

Address

City

State

ZIP

Date of Birth

Home Telephone

Business Telephone

Fax

E-mail

Business Name

Business Location (if different)

City

State

ZIP

County

Date business was established

Number of Current Employees: Full Time _____ Part Time _____

Type of Business (Refer to Item 10 Guidelines – Loan Program Parameters for ineligible business types)

Federal ID Number

Describe the type of business (products and/or services.)

Was the business affected by a federally-declared disaster? Yes _____ No _____

Any personal/business judgments, unsettled lawsuits or major disputes? Yes _____ No _____

If yes, please explain.

Has the business, or any principals, been involved in bankruptcy or insolvency proceedings? Yes _____

No _____

If yes, please explain.

Are you a U.S. Citizen? Yes _____ No _____ (If no, mail a copy of Alien Registration Card Form I-151 or I-551.)

FINANCING INFORMATION

Total amount of loan request (maximum \$50,000) \$ _____

Purpose of loan request

Working capital \$

Equipment \$

Inventory \$

Leasehold improvements \$

Personal (not borrowed) funds available to invest in business \$

Other Sources of Funds

Have you contacted your bank for financing? Yes ___ No ___ What bank?

Who referred you to the program?

Phone

DEMOGRAPHIC INFORMATION

The MDFB has requested that we obtain the following information for statistical purposes only. Please check all those that apply.

Business owned by ___ (> 50% Female owned) ___ (> 50% minority owned)

Veteran Status ___ Non-Veteran ___ Vietnam-era Veteran ___ Other Veteran

Ethnicity: ___ African American ___ White ___ Hispanic ___ Asian/Pacific

___ Islander ___ Eskimo/Aleuts ___ American Indian ___ Multi Ethnic

What is your combined yearly household income as of today? \$

How many are in your household?

ADDITIONAL INFORMATION**Please provide the following items with a completed application and forms.**

- Copies of business tax returns for the previous 3 years.
- Copies of personal tax returns for the previous 3 years.
- Aging of Accounts Receivable and Accounts Payable (if applicable).
- Check for \$15 made payable to MDFB for a credit review.

CERTIFICATIONS**Please read the following and sign the Application Form. All owners, officers, and partners must sign this application.**

The information in this Loan Application is provided for the purpose of applying for funds under the DED/MDFB Small Business Loan Program. The information is accurate to the best of my knowledge. I understand that personal and/or business information may be requested pursuant to this loan application and I hereby give my consent for such information to be provided to DED. I also understand that DED/MDFB retains the sole decision as to whether this loan application is approved, disapproved, or modified. It is my right to accept or decline the loan amount, rate and terms approved by DED/MDFB.

I AUTHORIZE DED/MDFB to keep this application whether or not my request for credit is approved. By signing below, I authorize DED to obtain a credit report on me through the credit-reporting agency of its choice, as well as to answer questions others may ask about my credit record with DED/MDFB (if applicable). I understand that I must provide updated credit and financial information as requested if my financial condition changes.

Print Name

Signature

Date

Print Name

Signature

Date

MDFB is an Equal Opportunity lender. DED will not discriminate against any loan applicant because of his or her race, color, religion, sex, handicap, familial status, or national origin.

BUSINESS PLAN OUTLINE

1. Executive Summary
 - Provide a brief summary of your plan.
2. Company Description
 - Give an overview of the history, function, location, and goals of the business.
 - Indicate what type of legal entity your company is and its ownership structure: sole proprietorship, partnership, corporation or limited liability company (include copies of organizational documents).
 - If you have partners, shareholders, or members, indicate who they are and how much of your company they own.
3. Management/Personnel
 - Describe your abilities, experience and qualifications to run the business.
 - Review who works for you and their experience.
 - Include resumes of key people, including yourself.
 - Describe your plans for creating full-time and/or part-time jobs.
4. Market Analysis
 - Describe the knowledge you have of your customers and their need for your product/service.
 - Describe any competitors you may have and your strategy for competing with them.
5. Product/Service Offering
 - Describe your product or service.
 - Discuss your pricing policy.
 - If applicable, explain how you make your product or provide your service.
6. Marketing Plan
 - Describe how you intend to sell your product/service and who will buy it.
 - Discuss your distribution plans, advertising arrangements, and sales strategy.
7. Financial Plan and Analysis
 - Start-up money requirements.
 - Projected income statement for one year (see sample).
 - Projected balance sheet for one year (see sample).
 - Projected cash flow for the next 12 months (see sample).
 - Discuss how you arrived at the numbers on the projected statements.

PERSONAL FINANCIAL STATEMENT

As of _____, 20_____

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock and each corporate officer and director, or (4) any other person or entity providing a guaranty on the loan.

Name: _____

Bus. Phone: _____ Res. Phone _____ E-mail Address : _____

Residence Address: _____

City/State/Zip: _____

Business Name of Applicant/Borrower: _____

ASSETS	(Omit cents)	LIABILITIES	(Omit cents)
Cash on Hand and in Banks	\$	Accounts Payable	\$
Savings Accounts	\$	Notes Payable to Banks and Others (Describe in Section 2)	\$
IRA or Other Retirement Accounts	\$	Unpaid Taxes (Describe in Section 6)	\$
Accounts and Notes Receivable	\$	Installment Account (Other) Mo. Payments \$	\$
Life Insurance – Cash Surrender Value Only (Complete Section 8)	\$	Loan on Life Insurance	\$
Stocks and Bonds (Describe in Section 3)	\$	Line of Credit tied to Real Estate	\$
Real Estate (Describe in Section 4)	\$	Mortgages on Real Estate (Describe in Section 4)	\$
Automobile – Present Value	\$	Installment Account (Auto) Mo. Payments \$	\$
Other Personal Property (Describe in Section 5)	\$	Other Liabilities (Describe in Section 7)	\$
Other Assets (Describe in Section 5)	\$		
Total Assets	\$	Total Liabilities	\$
		Net Worth	\$

SECTION 1. Source of Income	Contingent Liabilities
Salary	As Endorser or Co-Maker
Net Investment Income	Legal Claims and Judgments
Real Estate Income	Provision for Federal Income Tax
Other Income (Describe below)*	Other Special Debt

Description of Other Income in Section 1. Please describe any recurring income not reflected on previous tax returns:

*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

SECTION 2. Notes Payable to Bank and Others (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Note Holder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

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SECTION 3. Stocks and Bonds (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Number of Shares	Number of Securities	Cost	Market Value Quotation Exchange	Date of Quotation/Exchange	Total Value

SECTION 4. Real Estate (List each parcel separately. Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Property			
Address of Property			
Name of Property Owner			
Date Purchased			
Original Cost			
Present Market Value			
Name of Lender			
Loan Number			
Loan Balance			
Amount of Payment per Month			
Status of Loan			

SECTION 5. Other Personal Property and Other Assets (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment, and if delinquent, describe delinquency.)

SECTION 6. Unpaid Taxes (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

SECTION 7. Other Liabilities (Describe in detail.)

SECTION 8. Insurance Held (Give face amount and cash surrender value of policies – name of insurance and beneficiaries.)

I authorize Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements on a Missouri Small Business Loan application may subject me to the penalties prescribed by section 570.140, RSMo. FALSE statements on a conventional loan application may result in fines and imprisonment under relevant Federal and State laws.

Signature: _____ Date: _____ Social Sec. No.: _____
 Signature: _____ Date: _____ Social Sec. No.: _____

BUSINESS ASSETS					
Item	Description	Serial #	Purchase Item	Existing Item	Value \$

PROJECTED PROFIT & LOSS STATEMENT	
Year Ending	
Revenue	
Gross Sales	
Less Returns & Allowances	
Net Sales	
Cost of Sales	
Gross Profit	
Operating Expenses	
Selling	
Salaries & Wages	
Payroll Taxes	
Commissions	
Advertising	
Other	
Total Selling Expenses	
General & Administrative	
Salaries & Wages	
Payroll Taxes	
Employee Benefits	
Insurance	
Depreciation	
Automobile Expense	
Dues & Subscriptions	
Legal & Accounting	
Office Supplies	
Telephone	
Utilities	

Rent	
Taxes & Licenses	
Other	
Total General & Administrative	
Total Operating Expenses	
Operating Profit (Loss)	
Other Income and Expenses	
Net Income and Expenses	
Net Income (Loss) Before Taxes	
Income Taxes	
Net Income (Loss)	

PROFORMA BALANCE SHEET	
Period Ending	
Assets	
Current Assets	
Cash and Equivalents	
Accounts Receivable	
Inventories	
Prepaid Expenses	
Total Current Assets	
Fixed Assets	
Land	
Buildings	
Equipment	
Furniture	
Vehicles	
Less: Accumulated	
Depreciation	
Total Fixed Assets, Net	
Other Assets	
Total Assets	
Liabilities and Shareholders' Equity	
Current Liabilities	
Accounts Payable	
Short-Term Debt	
Current Portion of Long-Term Debt	
Income Taxes Payable	
Accrued Expenses	
Total Current Liabilities	
Long-Term Debt	

Shareholders' Equity			
Capital Stock			
Additional Paid-In Capital			
Retained Earnings			
Total Shareholders' Equity			
Total Liabilities and Shareholders' Equity			
Personal References (relative or close friend may be included)			
Reference Name #1			
Address			
City	State	ZIP	
Phone	E-mail		
Reference Name #2			
Address			
City	State	ZIP	
Phone	E-mail		
Bank References			
Bank Name #1		Account #	
Address			
City	State	ZIP	
Phone	Contact		
Bank Name #2		Account #	
Address			
City	State	ZIP	
Phone	Contact		
Internet Resources for Small Businesses			
sba.gov missouridevelopment.org missouribusiness.net morebusiness.com feemarkets.com	score.org webnow.com dor.mo.gov businessplans.org uspto.gov	irs.gov bplans.com gogettem.com stat-usa.gov mo-sbdc.org	superpages.com e-markets.com floorspace.com businesstown.com

CERTIFICATION AND AFFIRMATION

- I certify that I am an authorized representative of the Applicant and as such am authorized to make the statement of affirmation contained herein.
- I certify that the Applicant does NOT knowingly employ any person who is an unauthorized alien and that the applicant has complied with federal law (8 U.S.C. § 1324a) requiring the examination of an appropriate document or documents to verify that each individual is not an unauthorized alien.
- I certify that the Applicant is enrolled and will participate in a federal work authorization program as defined in Section 285.525(6), RSMo, with respect to employees working in connection with the activities that qualify the Applicant for the Missouri Small Business Loan Program. I certify that the Applicant will maintain and, upon request, provide the Department of Economic Development documentation demonstrating the Applicant's participation in a federal work authorization program with respect to employees working in connection with the activities that qualify the Applicant for this Program.
- I understand that, pursuant to section 285.530.5, RSMo, a general contractor or subcontractor of any tier shall not be liable under sections 285.525 to 285.550 when such general contractor or subcontractor contracts with its direct subcontractor who violates section 285.530.1, if the contract binding the contractor and subcontractor affirmatively states that the direct subcontractor is not knowingly in violation of section 285.530.1 and shall not henceforth be in such violation and the contractor or subcontractor receives a sworn affidavit under the penalty of perjury attesting to the fact that the direct subcontractor's employees are lawfully present in the United States.
- I understand that if the Applicant is found to have employed an unauthorized alien, the Applicant may be subject to penalties pursuant to sections 135.815, 285.025, and 285.535, RSMo.
- I hereby agree to allow representatives of the Department of Economic Development access to the property and applicable records as may be necessary for the administration of the Missouri Small Business Loan Program.
- I certify under penalties of perjury that the above statements and information contained in the application and attachments are complete, true, and correct to the best of my knowledge and belief.
- I attest the information submitted by the company to DED regarding the project is consistent with documents provided to lenders, other governmental entities or investors who may provide funding for the project and that DED is authorized to verify such information from any source.
- For a privately held company, I certify there is no person who owns an ownership interest or who is employed in a management capacity by the company who has committed a felony, is presently under indictment, or is on parole or probation.
- I attest there are no pending or threatened liens, judgments, or material litigation which is likely to affect the viability of the company as an ongoing concern.
- I certify the company does not have any delinquent non-protested federal, state or local taxes
- I certify that neither the operations of the company nor the requested funding would violate any existing agreement.
- I certify that the company has not filed (nor is about to file) for bankruptcy.
- I certify the company has not failed to fulfill any obligations under any other state or federal program.
- I certify the signatory is the authorized representative of the applicant and is authorized to make the statement of affirmation contained therein.

Required Attachment:

- Copy of the executed Memorandum of Understanding between the Applicant and the United States Citizenship and Immigration Services (USCIS).

Name	Title
Signature	Date

STATE OF MISSOURI)
) ss.
COUNTY OF _____)

On this _____ day of _____, 20__ before me, _____,
a Notary Public in _____, and for said state, personally appeared
_____, known to me to be the person who executed the Certification
and Affirmation and acknowledges and states on his/her oath to me that he/she executed the same for the
purposes therein stated.

Notary Public

My commission expires _____.