

**CITY OF OREM
REVOLVING LOAN FUND PROGRAM**

**GUIDELINES
AND
LOAN APPLICATION**

**Guidelines and application are also available electronically for use by those
preparing applications**

GUIDELINES FOR THE REVOLVING LOAN FUND PROGRAM

Note: Funding for the Revolving Loan Program is provided through entitlement city Community Development Block Grant (CDBG) funds from the Department of Housing & Urban Development and through the Economic Development Administration. Certain requirements are placed on the program due to Federal sources of its funding.

Purpose

The purpose of the Community Development Revolving Loan Fund Program (RLF) is to stimulate private investment in Orem which will, in turn, create new permanent, private sector jobs for low and moderate income Orem citizens and increase the local tax base. This will be accomplished by offering reasonably priced financing to businesses that have the best chance of successfully creating permanent new jobs in Orem. A secondary benefit will be the economic and physical improvement of the City's industrial and commercial areas.

Administration

The RLF program will be administered by the City.

Leverage

The RLF program is a catalyst to stimulate the investment of private sector dollars within the City. A guideline of at least two private sector dollars for every one RLF dollar will be the standard policy. This is interpreted to mean that as a rule the maximum participation of the RLF will be 33% of the total project requirement. (At the discretion of the City, some 90% project funding may be provided where no other monies are available to make a project happen.)

Eligible Types of Financing

The RLF will be eligible for use as a source for the following financing:

1. As a source of financing for the acquisition of fixed assets such as machinery or equipment used at the Orem place of business.
2. As a source of working capital.

1. Acquisition of Machinery/Equipment/Furnishings

The RLF may be used as a source of financing for the acquisition of new or used fixed assets such as machinery and equipment which, when added to the business' existing base, will create new jobs for low and moderate income persons through the improved ability of the business to compete for sales.

This type of financing will as a rule be supplemented with additional capital in the form of equity or additional financing which would allow the RLF to achieve a minimum leverage ratio of two non-RLF dollars to every one RLF dollar. The RLF portion of the machinery/equipment loan may be subordinated to the non-RLF portion of the financing, but must be secured through the value of the machinery and equipment or other forms of collateral controlled by the business and personal guarantees by company principals.

All applications for RLF financing for the acquisition of new or used fixed assets such as machinery and equipment should be accompanied by a documentation verifying current value and useful life of such property as well as a statement documenting the machinery and equipment's useful life, if applicable. Verification will be required that RLF funds have been used to purchase the exact machinery and equipment described in the approved application prior the disbursement of RLF funds.

2. Working Capital Loan

Revised: 11.2013

A RLF loan may be made to an Orem business for the purpose of financing operating expenses (including needed supplies, inventory, materials, space, and labor, etc.).

At a minimum, the applicant must provide personal guarantees from each principal with a 20% or greater interest in the company.

Evidence must be presented in the body of the application for funds that the provision of this type of financing will result in the creation of additional jobs.

Eligibility Requirements and Lending Terms

All plans must demonstrate they are economically viable. The objective of creating permanent, private sector jobs require that the plan’s overall feasibility and job creation potential be emphasized. Application for refinancing of existing debt will not be considered, but loan forgiveness may be considered in certain circumstances where the job creation requirement has been met and the applicant has demonstrated significant benefit to the community.

The focus of the RLF is to support strong local companies who require financing for expansion. Existing Orem businesses and companies moving into the City will be eligible. The guidelines and minimum criteria for eligibility are outlined below:

Application Deadline: Year round. Applications due by the end of the month prior to the month in which application will be considered by RLF committee.

Borrower: Owner-user businesses
For-profit companies

Type of Business: Industrial/Manufacturing
(including but Commercial
not limited to) Service
Technology

Loans will not be made to companies who compete locally for their main client bases.

Use of Proceeds: Fixed Assets including but not limited to:
Machinery and equipment
Furniture and fixtures
Working Capital:

For the purpose of financing operating expenses (including needed supplies, inventory, materials, space, and labor, etc.).

Leverage:

Minimum 2:1 private/RLF will be targeted.

“Project” leverage means total investment directly related to and contemporary to this project.

(At the discretion of the Revolving Loan Fund Board, some 90% project funding may be provided where no other monies are available to make a project happen.)

Maximum Amount:

\$80,000 RLF per project

No minimum project size

Rate of Interest:

Up to 3 Points below the Wall Street Journal

Prime Rate (fixed over the loan term)

Term of Loan:

For machinery/equipment and other fixed assets

Up to 3-year amortization;

6 month to 3-year call

For working capital:

Negotiable amortization, 6 month to 3-year call based on repayment ability.

Collateral:

The RLF must take collateral position in assets financed or assets pledged. Typically, the RLF will also take a security interest in inventory, other assets and receivables.

Generally, second lien positions will be accepted and sometimes third where SBA is involved in the other portions of the financing.

Personal Guarantees:

For all projects:

Required from all principals holding a 20% or greater interest in the company.

Job Creation Criteria:

Emphasis on job-creating projects

One job created for every \$35,000 of RLF money. Fifty-one percent of jobs must be made available to persons of low to moderate income. All new jobs must provide an income of at least minimum wage.

Special Considerations

Although all loans that meet the minimum requirements will be considered, preference will be given to applicants that:

- 1) have demonstrated funds are not available from other sources (SBA 504 or exclusive bank financing);
- 2) have shown they will exceed the minimum requirements of job creation while maintaining the ability to meet debt service;
- 3) have shown that RLF funds are fully secured. The greater the security of RLF funds, the higher priority given to the application;
- 4) create jobs in the basic sector which will spinoff additional new jobs in the service and retail sector;
- 5) demonstrate public and /or community benefit.

**REVOLVING LOAN FUND
PROGRAM**

**LOAN
APPLICATION**

REVOLVING LOAN FUND APPLICATION

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SECTION 1
REVOLVING LOAN FUND APPLICATION
GENERAL INFORMATION

Business Name: _____ Date: _____

Doing Business As: _____ 4 Digit SIC Code: _____

Contact Person: _____ Title/Position: _____

Orem Address: _____ Phone Number: _____

Date Business Started: _____ Business Type: Sole Proprietorship ___ Partnership ___ Corporation ___
Limited Liability Company ___

Employer ID# _____ Date of Incorporation _____

Affiliates, Subsidiary Firms, Franchises (attach copy of agreement): _____

(Financial information will be required for affiliates and subsidiary firms)

Description of Business:

Start Up _____

Expansion _____

Retention _____

New business-limited or no prior operating history

Existing, operating, will expand & create jobs

Existing jobs will be saved as a direct result of the RLF assistance

Industrial _____

Commercial _____

Service _____

Engaged in production of a product

Retail and wholesale trade

Provide a service but are not engaged in the production of a product or the sale of merchandise

SECTION 1
REVOLVING LOAN FUND APPLICATION
GENERAL INFORMATION

Project Description:

Location of Project if different from above:

<u>Name of Owner</u>	<u>% Ownership</u>	<u>Sex</u>	Member of a <u>Minority Group? (specify minority)</u>
_____	_____	M F	No__ Yes
_____	_____	M F	No__ Yes
_____	_____	M F	No__ Yes

Are you currently certified as a minority-owned or woman-owned business enterprise?

<u>Principals</u>	<u>Title</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(All principals must sign as a guarantor at the loan closing.)

Any affiliation with the City of Orem?

FUNDING

Use of RLF funds _____ Amount Requested _____

Requested Interest Rate _____ Terms _____

Total Equity Financing _____ Amount _____

Source _____ Amount _____

Source _____ Amount _____

Total Project Cost: _____

Collateral: _____

Job Creation and Retention:	Full-time	Part-time	Low/Moderate
Current # of Permanent Employees:	_____	_____	_____
# of Permanent Jobs to be created:	_____	_____	_____
# of Permanent Jobs to be retained:	_____	_____	_____
# of Jobs available to low/moderate:	_____	_____	_____ %

Comments:

If the company had an additional small amount of money each month, to what use would this money be applied?

State any important community need this business will satisfy as a result of the RLF funding:

Explain any associated business development which may result from this business expanding or locating in this area:

Was a marketing/feasibility study completed on the project? Yes___ No___

SECTION 2

REVOLVING LOAN FUND APPLICATION

PROJECT INFORMATION

Prepare the project proposal by giving details of:

- The General Description of the Project
- Description of the Work to be Performed
- A Schedule for Completing the Work

Include the following information:

Project Description

- Provide a concise description of the proposed project
- Objectives of the project
- Steps to be implemented to reach each objective including:
 - Number of people
 - Physical requirements such as facilities and equipment
- Date for completing each implementation step and each objective
- Operating history (if any) and operating results - current status
- Detailed operating plan including:
 - How the project will be managed
 - Day-to-day operations and general operation
 - Summary of each persons responsibility
 - Identify ultimate decision maker(s)

Marketing Plan for the Project

- Describe important features and user benefits - Relate features of the products/services to market needs and to the competition - List of products and prices
- Detail and describe what needs in the market you intend to satisfy, who buys your product and why - How was this determined
- Description of the market - Size, anticipated growth, key changes, trends - Cite specific sources for market data analysis
- Competition - Who are they (existing or potential) - List their strengths and weaknesses, how much of the market they have, and their strategic position - How do they compare in pricing and margins
- Unique capabilities - What makes you different - What gives you a special advantage
- Market penetration - How are you going to reach the market (i.e., your market strategy - channels of distribution, promotion, pricing, etc., and the cost of the marketing program)
- Present status - Current stage of development, expected life cycle
- Proprietary position - Trademarks, patents, trade secrets, special production skills, proprietary processes, etc. (Do not provide confidential details)
- Schedule of quarterly or monthly and annual sales and revenue objectives - List steps to reach objectives
- Description of the product/service pricing rationale
- Collections policies and trade terms

List consultants, advisors, and other resource people used to prepare the proposal.

**SECTION 2
REVOLVING LOAN FUND APPLICATION
PROJECT INFORMATION**

PROJECT SUMMARY

Description of the overall project

Which portions of the overall project will the Revolving Loan Funds be use for?

SCHEDULE FOR THE OVERALL PROJECT

Disbursements of RLF monies will be based on this schedule.

Note item to be funded by the Revolving Loan Fund with an asterisk (*)

Costs/uses of funds should be in line with proforma information supplied.

<u>Time Frame</u>	<u>Work to be Performed</u>	<u>Itemized Costs</u>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

SECTION 2
REVOLVING LOAN FUND APPLICATION
PROJECT INFORMATION

Complete the following information for the proposed project budget. Identify the independent accountant or accounting firm assisting with the budget. **Attach budget, breakdown costs, bids and estimates.**

Total Project Cost: _____

Equals = RLF financing + other lenders and /or investors + equity injection

Participation Information for lenders other than Orem City. **Attach a commitment letter for each lender verifying: commitment, terms and conditions, maximum amount allowable, and capacity to deliver.**

Terms	Amount	Interest Rate
Equity Injection: _____	_____	_____
Investor: _____	_____	_____
Lender: _____	_____	_____
Other: _____	_____	_____
Other: _____	_____	_____
TOTAL:		_____

Amount of Revolving Loan Funds Requested: _____

Interest Rate Requested: _____ % Term of Loan Requested: _____ Yrs. (not longer than three years)

Use of Revolving Loan Funds (show amounts):

Working Capital

Inventory: _____

Current Expenses: _____

Other (Specify): _____

Machinery/Equipment: _____

Other (Specify): _____

**SECTION 2
REVOLVING LOAN FUND APPLICATION
PROJECT INFORMATION**

Detailed description of the use of all funds

Use #1 Description: _____

Amount: _____ Source(s): _____

Use #2 Description: _____

Amount: _____ Source(s): _____

Use #3 Description: _____

Amount: _____ Source(s): _____

Use #4 Description: _____

Amount: _____ Source(s): _____

Project Cost Evaluation:

Furniture/Fixtures & Equipment:

Purchase: _____ Lease: _____

New: _____ Used: _____ Used Availability: _____

Type: (Model Numbers, description, etc.)

Working Capital Total in Project:

Salary/Fringe Benefits:

Number of Persons: _____

Salaries: \$ _____

Employees \$ _____

Principals \$ _____

Other Employee Costs:

Inventory:

Amount:

SECTION 2
REVOLVING LOAN FUND APPLICATION
PROJECT INFORMATION

Inventory Turnover:

Costs of Goods Sold divided by Inventory = _____

Days Inventory:

365 divided by Inventory Turnover = _____

Other:

Specify what is needed and the relationship to the project (i.e., office supplies, travel, rent, etc.)

SECTION 2

**REVOLVING LOAN FUND APPLICATION
PROJECT INFORMATION**

Collateral and the City's Position on Collateral:

Equipment, inventory and receivables are generally used as collateral. Attach a detailed listing and information on all collateral items.

State the reasons a loan from the RLF is necessary. Include information on why funding from other sources is not available:

List of Private sources contacted and result (funded or denied). **Please attach a statement or letter from each source stating the conditions or reasons for result.**

Source

Result

**SECTION 3
REVOLVING LOAN FUND APPLICATION
BUSINESS FINANCIAL INFORMATION**

The minimum financial information needed:

- Current Financial Statement
- Financial Statements for the Past 3 Years
- Copy of the Company's Income Tax Return for the Past 3 Years
- Pro Forma Balance Sheet and Income Statement for the Coming 3 Years
- Pro Forma Cash Flow Projection on a Monthly Basis for the Coming Year
- Pro Forma Cash Flow Projection for Two Additional Years on a Yearly Basis
- Current Obligations *
- Projected Obligations *
- Schedule of Previous Government Financing *

Summary of Current and Projected Purchase Orders or Contracts (attach copies of present Purchase Orders and Contracts)

Identify the independent accountant or accounting firm the business works with.

ALL FINANCIAL INFORMATION IS TO BE SIGNED AND DATED

* Form Included

**SECTION 3
 REVOLVING LOAN FUND APPLICATION
 BUSINESS FINANCIAL INFORMATION**

LIST OF CURRENT OBLIGATIONS

(If "none", state "none", sign, and date)

<u>Original Creditor</u>	<u>Status (current or delinquent)</u>	<u>Original Amount</u>	<u>Monthly Payment</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Collateral</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

Total Balance = \$ _____

Total Month = _____

Outstanding = \$ _____

Payment = \$ _____

Authorized Signature _____

Date _____

**SECTION 3
 REVOLVING LOAN FUND APPLICATION
 BUSINESS FINANCIAL INFORMATION**

LIST OF PROJECTED OBLIGATIONS - FOR THE NEXT 12 MONTHS

(If "none, state "none", sign and date)

<u>Projected Creditor</u>	<u>Date</u>	<u>Monthly Payment</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Collateral</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Balance = \$ _____

Total Month = _____

Outstanding = \$ _____

Payment = \$ _____

Authorized Signature _____

Date _____

**SECTION 3
REVOLVING LOAN FUND APPLICATION
BUSINESS FINANCIAL INFORMATION**

SCHEDULE OF PREVIOUS GOVERNMENT FINANCING

(If “none”, state “none”, sign and date)

<u>Type of Financing</u>	<u>Date Financed</u>	<u>Amount</u>	<u>Status</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Authorized Signature _____

Date _____

**SECTION 3
REVOLVING LOAN FUND APPLICATION
BUSINESS FINANCIAL INFORMATION**

PURCHASE ORDER SUMMARY

Give a summary of current and projected purchases orders or contracts. List each contract and give a short synopsis of the amount of revenue anticipated, possible long term relationships, and the benefits of the contract.

Attach copies of the present purchase orders and contracts.

SECTION 4
REVOLVING LOAN FUND APPLICATION
PRINCIPALS FINANCIAL INFORMATION

The minimum financial information needed for all owners with more than 20% ownership:

- Current Personal Financial Statements
- Copy of Personal Income Tax Returns for the Past 3 Years
- Completed Credit Report forms for each principal and their spouse (page 4-2)

**SECTION 4
REVOLVING LOAN FUND APPLICATION
PRINCIPALS FINANCIAL INFORMATION**

CREDIT REPORT FORM

Full Name (including initials, Jr., II, III, etc.) **This must be completed for each principal and spouse.**

Principal's Last Name First Name Middle Initial

Spouse's Last Name First Name Middle Initial

Current Home Address

Previous Home Addresses (within 5 years)

	Principal	Spouse
Date/Year of Birth:	_____	_____
Social Security Number:	_____	_____
Place of Employment:	_____	_____
Work Address:	_____	_____
Work Phone #:	_____	_____
Home Phone #	_____	_____

Name of Business Being Considered for Funding by the Revolving Loan Fund

I authorize the City to procure my credit report.

Principal's Signature

Date

Spouse's Signature

Date

SECTION 5 REVOLVING LOAN FUND APPLICATION BUSINESS INFORMATION

Supply business plan which includes the following information:

Company

- Business purpose - Explain what business you are in and why
- Give a brief summary of the company's history and current status
- State the company's overall strategy and objectives including the owner's rate of return on equity (profit) objective - List steps to be implemented to reach each objective
- Facility and equipment - Type and size - Requirements to produce product/service
- Operational information - Including days, hours of operation

Products or Services

- Describe Important features and user benefits - Relate features of the products and services to market needs and to the competition
- Describe specific products and projects planned - Their status, when due out, expected product life-cycle, and potential revenues

Detailed Marketing Strategy:

- Detail and describe what needs in the market you intend to satisfy, who buys your product and why - How was this determined
- Description of the market - Size, anticipated growth, key changes, trends - Cite specific sources for market data and analysis
- Competition - Who are they, how much of the market they have, and their strategic position - How do they compare in pricing and margins
- Unique capabilities - What makes you different, what gives you an advantage

- Market penetration - How are you going to reach the market (i.e., your market strategy - channels of distribution, promotion, pricing, etc., and the cost of the marketing program)
- Present status - Current stage of development, expected life cycle
- Proprietary position - Trademarks, patents, trade secrets, special production skills, proprietary processes, etc. (Do not provide confidential details)
- Schedule of quarterly or monthly and annual sales and revenue objectives differentiated, as appropriate, by product/service lines - Steps to be implemented to reach each objective
- A budget for marketing and sales expenses differentiated, as appropriate, by product/service lines
- An organization of marketing and sales responsibilities
- Description of the product or services pricing rationale

Management

- **Resumes of key individuals** - What value do they add to the company
- History of working together as a team
- Identification of immediate personnel needs and anticipated initial organizational structure

SUPPLY: COPY OF CITY OF OREM BUSINESS LICENSE

**SECTION 5
REVOLVING LOAN FUND APPLICATION
BUSINESS INFORMATION
CORPORATE RESOLUTION OR PARTNERSHIP AGREEMENT**

If the company is a corporation, submit the following information:

- **A resolution from the Board of Directors authorizing the business to borrow (page 5-3)**
- A copy of the corporation's Article of Incorporation
- A copy of the corporation's bylaws
- Specify the type of corporation
- All documents must be signed and dated

If the company is a partnership, submit the following information:

- Documentation of a partnership agreement
- A partnership authorization regarding borrowing for the business
- Specify type of partnership
- All documents must be signed and dated

**SECTION 5
REVOLVING LOAN FUND APPLICATION
BUSINESS INFORMATION**

CORPORATE AUTHORIZATION RESOLUTION

WHEREAS, _____, a corporation, desired to enter into business transactions from time to time with the City of Orem, hereinafter referred to as “the City”,

RESOLVED, that any one of the following named persons,

is hereby authorized and empowered for and on behalf of and in the name of this corporation and as its corporate act and deed and from time to time as the person acting deems necessary or appropriate:

- (1) To borrow money from and to enter into other credit transactions with the City as such times and upon such terms as the person acting deems advisable and to make, execute and deliver promissory notes or other evidences of indebtedness in favor of the City, for the payment of the money borrowed or obligations created;
- (2) To pledge, mortgage or otherwise hypothecate and encumber any and all this corporation’s property, real, personal and mixed as security for any indebtedness and/or obligation, past, present and future owing by this corporation to the City and to issue trust receipts against property being acquired: such pledges and mortgages and agreements and trust receipts to be in such form as the person acting shall deem advisable;
- (3) To discount and rediscount with the City any of the corporation’s accounts and bills receivable;
- (4) To sell, transfer, assign and/or endorse, with or without recourse, and deliver to the City such conditional sales, contracts, title retaining notes, promissory notes and/or other choses in action as are or may be made, executed and delivered by third parties to this corporation in connection with the sale of or transactions connected with the sale of motor vehicles, equipment, appliances and/or other personal property, together with any collateral security and/or written instruments incident to such transactions;
- (5) To enter into and make any repurchase or other agreement with the City;
- (6) To renew and agree to the extension and/or modification of any indebtedness or instrument created by or in behalf of this corporation in favor of the City;
- (7) To make execute and deliver any and all manner of choses in action, contracts and other instruments in such form and substance as may be required by the City and which shall be approved by the person above named acting in behalf of this corporation, to effectuate this corporation’s business with the City and generally to perform all acts and do all thing and execute and deliver all documents which the City may deem necessary or proper to carry out the purpose of this Resolution.

RESOLVED, that this Resolution shall continue in full force and effect until the City shall receive actual notice in writing from this Corporation that this Resolution has been revoked by a Resolution duly adopted by the Corporation’s board of Directors.

STATE OF UTAH) ss.

County of Utah)

I, the undersigned, Secretary of _____, a Corporation, do hereby certify that the above and foregoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of said Corporation, at a meeting of said Board duly called and held, and at which a quorum of said Board was present on the

day of _____ 20__, and that said resolution is duly entered upon the minute book of said Corporation, and that it is in full force and effect at this time.

Dated _____, 20__ _____, Secretary

SECTION 6
REVOLVING LOAN FUND APPLICATION
JOB CREATION/RETENTION
REQUIREMENTS

PROGRAM REQUIREMENTS

All loan recipients agree to create or retain jobs and provide employment for persons currently in the low to moderate income range. By employing low to moderate income persons, it is hoped they may better themselves through these employment opportunities. The specific requirements of the program are:

- One (1) job will be created for every \$35,000 RLF monies loaned
- First consideration will be given to low to moderate income persons when positions are available
- 51% of the jobs will be held by or available to low to moderate income persons

START-UP BUSINESSES (new business-limited or no prior operating history): The company would commit to have 51% of all jobs available to or held by low to moderate income persons.

EXPANDING BUSINESSES (existing, operating business which will expand and create jobs): The company commits that 51% of the new positions created after the loan will be available to or held by low to moderate income persons.

RETENTION (existing jobs will be saved as a direct result of the RLF assistance): The company commits that 60% of all employees (current employees at the time of the loan and all new employees hired after the loan) would be available to or held by low to moderate income persons.

- All projected jobs must be filled within two (2) years of funding (projections must be realistic and attainable)
- All new jobs must provide an income of at least minimum wage
- The jobs must be permanent and directly related to the project
- The jobs must be computed “on a full-time equivalent basis”. Part-time jobs should be converted to full-time equivalents by summing the total hours worked per week for the part-time employee and dividing by the standard hourly work week for full-time employees, normally 35 to 40 hours.

REPORTING AND MONITORING REQUIREMENTS

To ensure the projections and requirements are met, federal administrators require the City to make quarterly on-site monitoring visits as well as gather reports. When the projected employees have been hired and the company has met the 51% requirement, the company should notify the City. The commitment regarding job creation/retention will have been met at this point and the monitoring an reporting for this area will no longer be necessary. Until the projections are met, it will be necessary for the company to submit the following information and follow the federal schedule below:

<u>Quarterly</u>	1st Quarter	Jan 1 - Mar 31	2nd Quarter	Apr 1 - Jun 30
	3rd Quarter	Jul 1 - Sep 30	4th Quarter	Oct 1 - Dec 31

The company will complete:

The Quarterly Job Report (sample copy included). Job Information Forms for new employees and the Employer Quarterly Wage List are to be attached

A project progress update including any changes in the (1) original project, (2) schedule of completion of the work, (3) the project budget, and (4) changes in the business to address the failure to create/retain the requisite number of jobs.

The City will meet with the company to:

Discuss any questions or problems regarding any government agencies

Review the condition of the loan payments

Semiannually: Jan 1 - June 30 July 1 - Dec 31

The company will provide:

A Financial Status Report, a formal report with balance sheet and operating statement

A Business Plan Report, a formal report indicating the progress toward implementing the business plan proposed in the application, noting any revisions from the original business plan

A Jobs Report documenting the progress towards the hiring and training of low and moderate income persons including without limitation (i) a listing by job title of the permanent jobs created with the loan proceeds, identifying which are part-time, if any; (ii) a listing by job title of the permanent jobs filled and which jobs were initially held by or made available to low and moderate income persons; and (iii) a listing, for each low and moderate income person hired, and verification that the annual income of the person's *family* is below that required to be low and moderate income under CDBG standards

Annually: Jan 1 - Dec 31

The company will provide an annual financial report as reviewed by a CPA with full disclosures noted.

**SECTION 6
REVOLVING LOAN FUND APPLICATION
JOB CREATION/RETENTION
FORMS**

The following forms must be completed for the RLF Application. Please refer to the definitions sections for assistance or contact the City for assistance.

START-UP or RETENTION businesses must complete the following forms:

- **Job Information.** Form to be completed by each employee and the employer.
 - Step 1. Make copies of the Job Information form
 - Step 2. Complete the top section of the form and ask each employee to complete the employee section of the Job Information form
 - Step 3. Complete the employer's section of the Job Information and determine if the position is held by or available to Low to Moderate Income Persons (L/M).
- **Current Employees.** Form to be completed by the company or the City.
 - Complete the Current Employees form using the information gathered on the Job Information forms.
- **Projected Employees.** Form listing the employees the company intends to hire.
- **Acknowledgment and Agreement.** Contract detailing the commitment needed to fulfill the program requirements.

EXPANDING business must complete the following:

- **A current employee statement** containing (1) current number of full-time employees, (2) current number of part-time employees, (3) a listing by job titles of all current employees which specifies if the position is full-time or part-time.

Example: As of May 30, 1999, XYZ Corporation employs 14 full-time employees and 3 part-time employees.

This includes:

- 1 full-time President
- 1 full-time Vice President
- 1 full-time Accountant
- 1 full-time Secretary
- 3 part-time Clerical Workers
- 6 full-time Assemblers
- 4 full-time Salespersons

- **Projected Employees.** Form listing the employees the company intends to hire.
- **Acknowledgment and Agreement.** Contract detailing the commitment needed to fulfill the program requirements.

SECTION 6

REVOLVING LOAN FUND APPLICATION

JOB CREATION/RETENTION

JOB INFORMATION FORM

Company Name _____

Job _____ Employee _____ Full-Time Male
Title _____ Name _____ Part-Time Female Hire Date _____

Information to be completed by employee:

- Household Income: How many people are in your household? _____? Add the total monthly/yearly **gross income** of each person in the household together. _____ total monthly or _____ total yearly.
 - Were you referred through JTPA*, SPIED**, or another service assisting low to moderate income persons? _____ yes _____ no Other service _____ (*/** please see following page for explanation).
 - Which ethnic background do you belong to:
 White White-Hispanic Black-Hispanic Asian-Hispanic American Indian-Hispanic
 Pacific Islander-Hispanic Black Asian Pacific Islander/Native Hawaiian
 American Indian/Alaskan Native Asian and White Black and White American Indian/Alaskan Native and White
 American Indian/Alaskan Native and Black Other/Please specify: _____
 - Are you a member of a female household? Yes No
 - Were you unemployed prior to taking this job? Yes No
 - Were you offered employer sponsored health care benefits at the time of this job offer? Yes No
- Employee's Signature _____ Date _____

*This information is subject to verification by authorized government officials.

Information to be completed by the employer:

New Hire Replacement for _____ W-2 Employee _____ 1099 Employee _____

Indicate the job requirements the position requires:

- One year or more of education beyond high school Yes No
- One year or more of previous skills Yes No
- One year or more previous training Yes No
- One year or more previous experience Yes No
- Would the company hire an unqualified person and provide training? Yes No
- Are any of the recruiting services assisting low to moderate income persons listed below used? Specify which service.
 JTPA SPEID Department of Workforce Services Other (specify) (Please see page 2)

Note: For new positions filled after RLF assistance which may be available to low to moderate income persons, the number of low to moderate income persons interviewed for the position must be documented and which low to moderate income person (if any) was hired for the position. (Attach Verification Forms)

- Created. The position was created after the RLF funding and was attributed to the loan.
- Retained. The position would have been lost without RLF assistance due to the business closing or moving to a location over 50 miles away. (Verification must be included).
- Saved. The pre-loan position would have been lost without RLF assistance.

Signed _____ Title _____ Date _____

For office use only:

EDD or OCNS Employee signature Date " Form checked for accuracy _____
" Form returned as incomplete _____

*JTPA – Job Training Partnership Act – The Job Training Partnership Act (JTPA) became law on October 13, 1982 for purposes in establishing programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment. They also offer experience in training, retraining and upgrading job skills levels, job placements, and referral services, job development and work experience.

**SPEID -- Single Parent Economic Independence Demonstration – SPEID provides job training for women, most of them mothers on welfare, to help them become economically self-sufficient. In addition to a three-month internship with a mentor in the private sector, SPEID offers services to ensure access to child care, transportation, appropriate clothing, food stamps, and mental health counseling. Local businesses pay for the internship training and the mentor’s counseling time, and several social agencies cooperate to help interns overcome personal problems.

SECTION 6

REVOLVING LOAN FUND APPLICATION

JOB CREATION/RETENTION

CURRENT EMPLOYEES

To complete the following form, refer to definitions in this section and the Job Information form completed by each employee and a company representative. Follow the steps outlined in the Determination for Low to Moderate Income Persons. If you have questions contact the City.

Job Title - Male or Female	Hire Date	Full-Time or Part-Time	Salary	Held by Low/Moderate	Available to Low/Moderate	Created Retained Saved	Ethnic Group	Female Headed Household
<u>example: Secretary (F)</u>	<u>11/20/99</u>	<u>FT-40hrs/wk</u>	<u>\$1000/month</u>	<u>(yes or no)</u>	<u>(yes or no)</u>	<u>Saved</u>	<u>Asian</u>	<u>(yes or no)</u>
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____

Pre-Loan Jobs: ___ Full-Time ___ Part-Time

**SECTION 6
 REVOLVING LOAN FUND APPLICATION
 JOB CREATION/RETENTION**

PROJECTED EMPLOYEES

This listing of projected employees should contain all possible employees to be added in the next two years.

Job Title	Projected Hire Date	Full-Time or Part-Time	Salary	Created due to RLF Funding?	Job Skills/ Training	Requires more than 1 year: Experience Education beyond H.S.	Unqualified person could be hired and trained?*
<u>example: Secretary</u>	<u>11/20/99</u>	<u>FT-40 hrs/wk</u>	<u>\$1000/month</u>	<u>yes/no</u>	<u>yes/no</u>	<u>yes/no</u>	<u>yes/no</u>
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

*If yes, attach training information

<u>Part-Time</u>	<u>Full-Time</u>	<u>Full-Time Equivalent</u>	
_____	_____	_____	Total Projected Employees
_____	_____	_____	Expected # of permanent jobs to be “created” (attributed to the RLF funding)
_____	_____	_____	Expected # of permanent jobs to be made available to low/moderate income persons (those jobs requiring 1 year or less previous training, experience, or education beyond High School, or which unqualified persons can be trained for)

**SECTION 7
REVOLVING LOAN FUND APPLICATION
APPLICANT'S AGREEMENT**

The undersigned understands that this application has been prepared solely for determining eligibility for the City of Orem Business Revolving Loan Program. Any false statements or misrepresentation made on this application are cause for rejection of this application and prohibition of the undersigned or their business from participating in this or any other programs offered by the City of Orem. The applicant agrees that all information included in the application is valid, honest, and complete; and that all stipulations in the guidelines will be met and followed.

It is understood that any discussions with or any information given to a City employee regarding application for the loan fund program, prior to receipt of a formal commitment letter from the City committing a specific amount of funds to the project, is only for program information and may not be considered a binding commitment on the part of the City to provide funds or technical assistance to the project.

The undersigned acknowledges the fees for the program which include: (1) a one-time non-refundable application fee of \$75.00,(2) a one-time processing fee equivalent to one percent of the direct loan or line of credit, and (3) the credit report fee.

It is understood that the Revolving Loan Fund Program's purpose is to retain or create permanent jobs and also assist low and moderate income citizens to obtain higher skill levels. The requirements and guidelines to be met and complied with include the following: (1) one job will be created for every \$35,000, (2) 51% of all permanent jobs must be made available to or held by persons who have had a low to moderate income, (3) all new jobs must provide an income of at least minimum wage, (4) first consideration in filling jobs will be given to low to moderate income persons, (5) the jobs created must be permanent and directly related to the project, and (6) all projected employees must be hired within two years of funding and documented to the City.

The company agrees to participate in the monitoring/reporting process and visits, as outlined in this application while participating in the loan program. This includes: (1) an environmental review and on-site visits,(2) gathering information on each employee,(3) participating with the quarterly reports and visits which update the project progress and compile job creation/retention information, and (4) submitting financial and business plan reports plus an annual financial report. The business agrees that all applicable records will be available for review by federal and local monitors.

The company will make a commitment as to minimum number of employees the company will hire within two years from funding plus meet all other program requirements regarding job creation and assistance to low to moderate income persons. The company will obtain verification of all low to moderate income persons interviewed for available positions and which, if any, were hired for the positions.

Upon receiving funding, the applicant agrees that the business will move forward with the project and that the funds will be used as indicated in the application. The business agrees to allow federal and city monitors to review the records of the business.

Signature

Date

Name:_____

Title:_____

SECTION 8

REVOLVING LOAN FUND APPLICATION

CHECK LIST

Company_____ Date Completed

___ General Information

___ Project Information

- ___ Project Summary-Description of Overall Project-Use of RLF funds
- ___ Project Schedule
- ___ Project Budget Including Bids, Estimates and Breakdown Costs
- ___ Project Marketing Plan
- ___ Funding Information Completed, Letters of Commitment & Maximization
- ___ Detailed List of Collateral
- ___ List of Consultants, Advisors, and Other Resource People
- ___ Letters or Statements from Private Lending Sources Unable to Fund the Project

___ Business Financial Information

- ___ Current Company Financial Statement
- ___ Company Financial Statements for the Past 3 Years
- ___ Copy of the Company's Income Tax Return for the Past 3 Years
- ___ Pro Forma Balance Sheet and Income Statement for 3 Years
- ___ Pro Forma Cash Flow Projection on a Monthly Basis for the One Year
- ___ Pro Forma Cash Flow Projection for Two Additional Years on a Yearly Basis
- ___ Current Obligations
- ___ Projected Obligations
- ___ Schedule of Previous Government Financing
- ___ Summary of Current and Projected Purchase Orders and/or Contracts

- Copies of Purchase Orders an/or Contracts
- Identify the Accountant or Accounting Firm the Company works with
- Financial Information Signed and Dated

Principals Financial Information

- Copy of each Principal's Personal Financial Statements
- Copy of each Principal's Personal Income Tax Returns for the Past 3 Years
- Completed Credit Report Forms for each Principal and their Spouse

Business Information

- Company Information
- Products or Services Information
- Detailed Marketing Strategy
- Management Information
- Resumes of Key Individuals
- Copy of the Current Business License
- Copy of Articles of Incorporation
- Corporate Resolution or Partnership Agreement

Job Creation/Retention Staffing Plan

- Job Information Forms Completed for each Employee
- Current Employee Form or Statement Completed
- Projected Employee Form Completed

Statement of Agreement

Application Fee of \$75.00