

**Competitive Round**

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**Fall**

NetWork Kansas Entrepreneurship (E-) Community Partnership Proposal

Applications due August 7, 2015



**NetWork Kansas**

**P.O. Box 877**

**Andover, KS 67002**

**www.networkkansas.com**

**TIMELINE AND PROCESS FOR APPLICATION AND APPROVAL**

**June 5, 2015Document Posted on the NetWork Kansas Website**

 **Important Hints**:

 *It is very important that NetWork Kansas has at least two meetings with the community point person, other members of the community and/or the potential E-Community Leadership Team and Financial Review Board prior to the Partnership Proposal being submitted on August 7. These meetings will play a role in the evaluation of the Partnership Proposal. If members of your community (Leadership Team, Financial Review Board, others) have not met with NetWork Kansas prior to submitting this proposal, please contact Erik Pedersen (**epedersen@networkkansas.com**), Jamie Hofling (**jkhofling@networkkansas.com**) or Simone Elder (**selder@networkkansas.com**) to schedule a meeting.*

 *Please ask your Leadership Team and Financial Review Board to review the pages “What is an E-Community”, “Becoming an E-Community,” and “FAQ’s – Entrepreneurship Community Partnership” on the* [*www.networkkansas.com*](http://www.networkkansas.com) *website, under the heading “Communities”.*

**Aug. 7, 2015** **Deadline for Partnership Proposal to be submitted**

**By Aug. 28, 2015** **NetWork Kansas** **Staff Scores Written Proposals and Provides List of Recommended Finalists to Board of Directors**

**By Sept. 11, 2015 Approval of Finalists**

*The NetWork Kansas Board of Directors will approve the list of finalists.*

**By Oct. 16, 2015** **Interviews Conducted /** **Community Selection**

*Between September 11th and October 16th, an interview will be conducted with the finalist communities (the entire Leadership Team and Financial Review Board need to be present). Interview conducted by NetWork Kansas Staff. At the conclusion of the interviews, the NetWork Kansas Board of Directors will select the 2015 E-Communities and allocate tax credits to each.*

**Dec. 18, 2015** **Funds Raised**

 *This is the deadline for E-Community donors to send their donations to NetWork Kansas. (The Leadership Team will be responsible for collecting the donations (along with social security numbers) and forwarding them to NetWork Kansas and for communicating regularly with NetWork Kansas as to the status of donations).*

#### **Section I DESCRIPTION AND DEFINITIONS**

***The following definitions outline the primary entities that are essential for the successful implementation and growth of a NetWork Kansas E-Community.***

#### **NetWork Kansas Resource Partner:** a non-profit or public sector organization that provides business assistance to entrepreneurs and small businesses. Examples are: Kansas Small Business Development Centers, Enterprise Facilitation, SCORE, Kansas Department of Commerce Business Development, Certified Development Companies, Kansas Main Street, USDA, City or County Economic Development organizations, local College Business & Industry, etc..). Learn about our resource partner network by reading “Resources for Starting and Growing Your Business”, under the “Entrepreneurs” heading of the [www.networkkansas.com](http://www.networkkansas.com) website.

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#### **Leadership Team (E-Team): provides the overall direction and leadership for the E-Community. It can be a new team or an existing group. THIS TEAM IS KEY TO THE SUCCESS OF AN E-COMMUNITY SO THOUGHT SHOULD BE GIVEN TO WHO IS INCLUDED. The team should have representation from the public sector (i.e. NetWork Kansas resource partners) as well as private sector (i.e. banking, accountant, entrepreneur, attorney, insurance). This team will be expected to meet monthly to discuss the progress of the E-Community, methods to promote and utilize the E-Community fund, identification of key stakeholder groups and how to engage them, work on initiatives to support start-ups, existing businesses, succession planning, etc. as well as proactively reach out to other E-Communities to discuss best practices.**

#### **Financial Review Board**: **reviews and approves loans to local entrepreneurs and small businesses. This team will also be responsible for creating the application that will be completed by businesses applying for the fund, as well as the process and scoring system that will be used to evaluate the application. In addition, this board will determine interest rate, length of term and security position (or may choose to be unsecured) for each approved application. NetWork Kansas will ensure that each approved application meets statutory guidelines but will not evaluate it with regard to the applying business’s potential for success.This board is typically a subset of the Leadership Team and can meet on a regularly scheduled basis or as needed.**

**Administrative Support Organization:** responsible for creating loan documents, closing loans, UCC or mortgage filings, collecting loan repayment checks from the business, forwarding those payments (P&I, less servicing fee, if applicable) to NetWork Kansas to be deposited back into the E-Community account, and communicating with the business regarding late payments. This organization can be any entity, private or public (i.e. regional certified development company, local financial institution, economic development organization). **When the Financial Review Board approves a loan application and submits a check request to NetWork Kansas, checks will be made payable to the administrative support organization for disbursement to the business. NetWork Kansas cannot make the check payable directly to the business. Likewise, repayment from the business will be made to the administrative support organization, who will deposit the funds into a local account and then issue a check to NetWork Kansas to be deposited into the E-Community account. NetWork Kansas cannot accept loan repayment checks directly from the business. All E-Community bank accounts in which repayments are made are owned and operated by NetWork Kansas.**

**Statewide Advisory Council:** one representative from each E-Community. This person will have primary responsibility for two areas: a) primary contact point for NetWork Kansas communication, and sharing that communication with the Leadership Team and others as necessary, and b) attending a statewide E-Community conference and/or other shared-learning opportunity.

Answer the following questions with fully developed responses, including adequate supporting detail. **Please limit responses to no more than 300 words per question**.

#### **Section II E-COMMUNITY NAME**

***This proposal may be made as a single community, a group of communities, or a county-wide initiative.***

1. Please list the county, community, or communities that is/are formally partnering to complete this proposal and include the following information: name and population of each community, name and population of county, and population rank among the 105 counties.

2. If it’s one community or multiple communities that are making this proposal, please describe the reason(s) you chose not to proceed as a county-wide initiative.

3. Please list the non-profit organization that is acting as the lead organization to submit this proposal and be responsible for the E-Community partnership. Note: Please ensure that the non-profit organization name matches the information on the W-9 at the end of this document. Please complete and return the W-9.

#### **Section III E-COMMUNITY FUND**

#### ***Communities selected to become an E-Community will use Entrepreneurship Tax Credits to raise funds that will be specifically used to provide matching loans to entrepreneurs and small businesses in their community. Funds will be donated to the Kansas Center for Entrepreneurship and designated to the appropriate E-Community. The E-Community bank account is owned and managed by NetWork Kansas.*** For additional information about the Entrepreneurship Tax Credit, and to download the one-sheet overview, click on the “About” heading of the [www.networkkansas.com](http://www.networkkansas.com) website, then click on ”Resources”, and then on “Tax Credits”. The overview link is located at the bottom of that page.

4. Please list the amount of tax credits being applied for. Communities can apply for a maximum of $125,000 in tax credits. This translates to donations of $166,667. 10% of the funds raised are retained by the Kansas Center for Entrepreneurship for administration. 10% of the funds raised are allocated to the E-Community (the check will be issued to the organization listed in Question 3 and kept in a local bank account in the E-Community, usage accounted for to NetWork Kansas at end of each year) for promotion and marketing of the program, as well as any loan costs that are not passed through to the borrower. The 80% remaining is what is available as loans for entrepreneurs and small businesses. The E-Community is responsible for raising the funds associated with their tax credit allocation. NetWork Kansas will be seeking donations for the tax credits not allocated to each E-Community. If the E-Community does not meet 100% of their target allocation by the deadline, NetWork Kansas will seek donations for the additional tax credits. If NetWork Kansas is able to raise additional funds, a portion of those funds may be allocated to the E-Community at the sole discretion of the NetWork Kansas Board of Directors.

5. Please list the number of donors and the dollar amount of commitments received to date. Note: A community must have received verbal commitments for at least one-half of the tax credits being applied for at the time the proposal is submitted.

#### **Section IV E-COMMUNITY ADMINISTRATIVE SUPPORT**

6. Please list the administrative support organization. The formal agreement with this organization does not have to be in place when the proposal is submitted. However, please provide a status update as to who you expect the organization to be, has this been discussed, etc.

#### **Section V LEADERSHIP TEAM AND FINANCIAL REVIEW BOARD**

7. Please list the names, occupations, and contact information (including email addresses) for each person who will be a part of the Leadership Team (E-Team).

8. Please describe whether this Leadership Team is a newly formed group or an existing group, acknowledge that you understand the team will meet monthly, and why you feel this group can successfully carry forth the tasks of setting and implementing the E-Community mission.

9. Please list the name of the person who will serve on the statewide advisory council.

10**.** Please list the names, occupations, and contact information (including email addresses) for each person who will be part of the Financial Review Board.

#### **Section VI COMMUNITY ASSESSMENT**

#### **Leadership Capacity**

11. Has your community’s downtown been designated as a Kansas Main Street? If so, describe your progress.

12. Are you a Public Square Community (Kansas Communities LLC)? If so, please list what year of the process you are in, the action teams that are currently in place and describe your progress.

13. Are you an HTC (Hometown Competitiveness) or HTP (Hometown Prosperity) community? If so, describe your progress.

14. Are you a Kansas Leadership Center KCLI (Kansas Community Leadership Initiative) community? If so, describe your progress.

**Youth**

15. How is your community cultivating youth entrepreneurship? Please include such things as K-12 entrepreneurial programs, business plan competitions, entrepreneurship fairs, mentoring programs, job-shadowing. Describe successes, challenges and future plans.

**Entrepreneurial Environment**

16. Does your community have a business incubator? If so, describe the progress, successes and challenges.

17. **Please provide an assessment of the current strengths and weaknesses in your community with regard to supporting entrepreneurs and small businesses. Please include thoughts about** what you see as the biggest opportunities and challenges facing your business community.

18. Describe 2-3 business startups that have occurred in the last few years that provide significant economic and/or community benefits.

**Connectivity to Resources**

19. Each community has access to public capital funding sources (Certified Development Companies, microloans, revolving loan funds, etc.). Please describe how you have worked with those sources to secure funding for businesses. (Note: For E-Community funds to be utilized, a 40% match must be provided by either a public capital source or a financial institution such as a bank. The match can also be a combination of loans provided by the public sector and a financial institution).

20. Each community has access to private capital funding sources (Banks, Credit Unions, etc.). Please list the primary banks in your community and provide thoughts as to the level of their involvement in the business community. (Note: For E-Community funds to be utilized, a 40% match must be provided by either a public capital source or a bank).

21. Describe how your community assists entrepreneurs with startup assistance, business plan assistance or business coaching. Specifically, discuss the NetWork Kansas resource partners (see Section 1. Descriptions and Definitions) that are available and how they play a role in creating an entrepreneurial environment.

22. Describe how your community promotes the workshops and seminars that are offered for entrepreneurs and small business owners (Kansas Small Business Development Center workshops, SCORE seminars, community college courses-credited or non-credited, university classes).

#### **Section VII NEXT STEPS**

**Applications should be emailed in a pdf format to the following address by**

**August 7, 2015:**

* epedersen@networkkansas.com

**Appendix A**

**E-COMMUNITY APPLICATION, SCORING RUBRIC, AND PROCESS**

Each E-Community Financial Review Board will be tasked with doing three things very soon after being selected as an E-Community. They will assemble the application that will be completed by businesses that are applying for the fund. In addition, they will define the process for review, and the scoring method that it will use to evaluate applications.

NetWork Kansas has created a template of the E-Community Loan Application, Scoring Rubric and Review Process. These can be used as is (by inserting information specific to your community) or they can be completely customized by your Financial Review Board.

These documents will be provided to the finalists after September 11, 2015.

