

Revolving Loan Fund (RLF) Criteria

The City of Sunnyside has allocated \$250,000 of their received ARPA (American Rescue Plan Act) funding towards a revolving loan fund. The purpose of this fund is to create a flexible, low interest, sustainable loan program administered by the City. Any interest accrued will be used to establish additional services and grant programs throughout the City of Sunnyside.

The RLF has been established to create a very low interest loan program to assist business that may need a small funding source. The amount of funding a business can request is based on the amount of time they have been established. Businesses that have been around from more than five years will have an opportunity to apply for a loan up to \$50,000, whereas businesses that established less than five years, can apply for a loan up to \$25,000.

Applicants

○ **General Requirements**

Recipient must administer the RLF in accordance with a City of Sunnyside approved RLF Plan. Recipient must develop an RLF Plan and submit it to the City for approval. The City of Sunnyside Community and Economic Development Commission will evaluate the RLF Plan, and may require changes before approving the Plan. Recipient may not make RLF loans prior to the City's approval of Recipient's initial RLF Plan.

○ **Business Plan**

- a. Describe the plans for the business, including the following points, where applicable, and any other pertinent information.
 - 1) Bios of the principals involved in the day-to-day operation and management.
 - 2) Describe the business's product or service and explain the benefits or competitive advantages it has over other products or services.
 - 3) What is the overall strategy for selling, distributing, pricing, and advertising the product or service?
 - 4) Describe the target market and projected demand for the product or service.
 - 5) If applicable, what patents, copyrights, and other legal considerations have been met?
 - 6) If the business is building, expanding, or remodeling a facility, include a brief description of the capital improvements and the planned effect on the business.
- b. Describe the history of the business including the following points based on the business situation.
 - 1) What have been the current and long term trends in the business?
 - 2) How long have the current owners or operators run the business?
 - 3) What specific series of events have led to the need to borrow from this program? (Note: This is a critical point – be specific and include as much information as necessary.)

○ **Balance Sheet**

- a. Dated within 90 days of the application together with an aging of the accounts receivable and accounts payable listed.

○ **Financial Projections**

- a. Submit a performance balance sheet for the next three years. Provide profit and loss statements and a cash flow analysis monthly for the first year of the loan and year end in years two and three.
- b. Financial projections are expected to flow logically from historic financial statements and the business, marketing, and management information.

- **Personal Financial Statement of Business Owners**
 - a. Include notes indicating the basis of value on assets (market value or acquisition cost) and explanations of other entries (notes payable, receivables, stocks, etc.). Financial statements should be dated within 90 days of filing this application. If possible, the date of personal financial statements should be the same as the date of the most current business financial statement.
- **Personal Credit Report(s)**
 - a. Recent credit bureau report for all business owners. Can be provided by lead financing partner if available.
 - b. The City of Sunnyside does have the ability to run a report if one cannot be provided by the other financing partner.
- **Letters of Commitment**
 - a. Include documentation of commitment from all other financial participants listed in sections 'Funding Sources' and 'Funding Sources Additional Information'.
- **Corporate Tax Returns**
 - a. Most recent last three (3) years of filings.
- **Individual Income Tax Returns**
 - a. Most recent last three (3) years of filings.
- **Schedule of Debts**
 - a. Include:
 - 1) Original date and amounts, monthly payments, interest rates, present balance owed, maturity, to whom payable and collateral securing the loan.
 - 2) Outstanding credit card debt.
 - b. Debts should be reflective in current and projected financials.
- **Copy of Current or Proposed Lease**
 - a. Lease(s) associated with the buildings and/or equipment associated with the business.
- **Key Cost Documents**
 - a. Pricing/valuation documents associated with the project and use of funds. (e.g. appraisal reports, vendor quotes, contractor estimates, purchase agreements).
- **Davis-Bacon Act Requirements**
 - a. If this loan will be financing all, or part of, construction or equipment installation, contact City of Sunnyside for further information on compliance with the requirements of the Davis Bacon Act. If the Davis-Bacon Act applies, wages paid to construction workers must comply with a wage determination for this area issued by the U.S. Department of Labor and with federal labor standards provisions.