

# South Dakota Works Financing Application

Please type or print clearly. Be sure to fill in each blank and answer each question. If not applicable, mark N/A and explain. If there is not enough room in a section, use the additional page at the end of the form and indicate the section you are adding. If you need to leave the form before it has been completed, print the pages you have completed before closing because you can not save your work in Adobe.

## SECTION 1. APPLICANT INFORMATION

Name of Applicant Business: \_\_\_\_\_

Affiliated Businesses: \_\_\_\_\_

Company Contact: \_\_\_\_\_

Business Address: \_\_\_\_\_

City/State/Zip Code: \_\_\_\_\_

County: \_\_\_\_\_

Business Telephone: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_ Website Address: \_\_\_\_\_

Name of Individual Completing This Form: \_\_\_\_\_

Company Affiliation: \_\_\_\_\_

Telephone: \_\_\_\_\_

Employer's Identification Number

Federal: \_\_\_\_\_ State: \_\_\_\_\_

NAICS Codes: \_\_\_\_\_ Fiscal Year End: \_\_\_\_\_

If the NAICS Code and/or employer's identification number for this project is different from the numbers for the firm listed, please complete the following:

Employer's Identification # Federal: \_\_\_\_\_ State: \_\_\_\_\_

The Company is a:

Sole Proprietorship

S-Corporation

Partnership

C-Corporation

LLC

Non-Profit Development Corporation

LLP

For-Profit Development Corporation

Other (specify) \_\_\_\_\_

**Date Applicant Business Established in South Dakota:** \_\_\_\_\_

**Date Applicant Business Established Out of South Dakota:** \_\_\_\_\_

**State of Incorporation:** \_\_\_\_\_

**Primary Business Activity:**

Retail

Wholesale

Manufacturing

Service

Other (specify) \_\_\_\_\_

**Business Description:**

**Brief History of Company:**

**Plant/Office Location(s)**

**# of Employees**

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**Major Stockholders, Partners or Proprietors:**

(Provide most recent year-end personal financial statement on each principal owner (owning more than 10 percent) or guarantor, or the most recent personal Federal income tax returns (previous three years) for each principal. Please provide details of all existing personal debt. Attach resumes for each principal owner, guarantor, and management personnel of company.)

Name	% Ownership	Address & Phone Number	Social Security Number

Total 100%

**Identify personal and corporate guarantors and other collateral for this loan:**

**Management Information**

(List all the officers, directors or general partners.)

Name	Title	Address & Phone Number	Social Security Number

Primary Lender Information

Name	City/State	Phone #	Type of Account	Account (obtain from bank officer)	90 Day Average Balance

Working (Operating Line)

<b>Limit</b>	<b>Based On</b>	<b>Current Balance</b>
_____	_____	_____
_____	_____	_____
_____	_____	_____

## SECTION 2. PURPOSE OF THE LOAN

**Description of the Project and Reason for the Loan:**

**Requested Sources of Financing:** Please attach copies of letters of commitment for each source of financing. Letters should contain a description of items to be financed, credit analysis and work papers, the specific terms and conditions, and the proposed collateral position.

A. Source of Financing-(can only include private capital, no federal funding):

<b>Name of Lending Institution</b>	<b>Contact Person</b>	<b>Phone Number</b>	<b>Address</b>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

### B. Leverage Requirement

(GOED loan programs require a MINIMUM of 4:1 leverage

Example: \$125,000 loan request, requires \$100,000 private capital, \$25,000 allowable GOED funding.)

<b>Source</b>	<b>Amount</b>	<b>Leverage Ratio with GOED</b>
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

### Loan Amount Requested From GOED

\$ _____	_____	_____
<b>TOTAL</b>	\$ _____	_____

Uses of All Funds	Useful Life	Total Cost	Proposed Source	Proposed Collateral Position
<i>Project Costs Eligible for GOED Financing:</i>				
Inventory	_____ months	\$ _____	_____	_____
Trade Receivables	_____ months	\$ _____	_____	_____
Work-in-progress Inventory	_____ months	\$ _____	_____	_____
Financing Fees	_____ years	\$ _____	_____	_____
Other Costs	_____ years	\$ _____	_____	_____
	_____ years	\$ _____	_____	_____
	_____ years	\$ _____	_____	_____
TOTAL:		\$ _____		

## SECTION 4. HISTORICAL FINANCIALS

Provide most recent three (3) year financial statements. At a minimum, this history must contain a balance sheet and income statement. Audited financials are preferred, however, other statements may be acceptable. If applicant is a business newer than 3 years, provide all previous financials. Unaudited financial statements must be signed and dated by an authorized financial officer of the applicant business and details (terms, maturity, interest rate) must be provided on existing debt agreements. If unaudited financial statements are provided, also include federal tax returns for the previous three years.

## SECTION 5. PROJECTED FINANCIAL STATEMENTS

Submit projected financial statements reflecting the performance of the applicant under the conditions for the term of the loan for the next three years. Projected financial statements must include: balance sheet, income statement, cash flow, and must be supported by notes and justifiable assumptions.

**If you need assistance completing projections, contact the Small Business Development Center nearest you. A complete listing of the centers is provided in the back of this application.**

## SECTION 6. EMPLOYMENT SUMMARY

Please indicate the company representative who should be contacted to follow up on the employment information:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone: \_\_\_\_\_

### PART 1: CURRENT EMPLOYMENT INFORMATION

(Please provide current employment levels as of the date of the application.)

	Total Number of Employees (in and out of SD)	Average Annual Hours	Total Number of Employees in SD	Average Annual Hours (SD Employees)
Full-time	_____	_____	_____	_____
Part-time*	_____	_____	_____	_____
Seasonal/Temporary**	_____	_____	_____	_____
<b>TOTAL EMPLOYEES</b>	_____	_____	_____	_____

\*Works less than 30 hours per week.

\*\*Works only during peak season (please specify length of peak season \_\_\_\_\_ months).

### South Dakota Employees Only

PLEASE USE HOURLY WAGES

	<u>Wages Weighted</u>			<u>Number of Employees Receiving that Wage</u>			per class
	Low	Avg	High	Low	Avg	High	
Managers & Administrators	\$ _____	\$ _____	\$ _____	_____ + _____ + _____	=	_____	
Professional & Technical	\$ _____	\$ _____	\$ _____	_____ + _____ + _____	=	_____	
Sales	\$ _____	\$ _____	\$ _____	_____ + _____ + _____	=	_____	
Clerical	\$ _____	\$ _____	\$ _____	_____ + _____ + _____	=	_____	
Service	\$ _____	\$ _____	\$ _____	_____ + _____ + _____	=	_____	
Agriculture, Forestry, Fishing	\$ _____	\$ _____	\$ _____	_____ + _____ + _____	=	_____	
Production, Maintenance	\$ _____	\$ _____	\$ _____	_____ + _____ + _____	=	_____	

SOUTH DAKOTA TOTAL NUMBER OF WORKERS: \_\_\_\_\_

CURRENT SOUTH DAKOTA

TOTAL ANNUAL PAYROLL: \$ \_\_\_\_\_

**CURRENT EMPLOYEE BENEFIT PACKAGE**

1. Please provide a detailed listing of employer paid benefits.

**PART 2: PROJECTED EMPLOYMENT INFORMATION**

South Dakota (only) employment projected to be created each year as a result of the GOED financing programs:

PROJECTED ANNUAL EMPLOYMENT IN SOUTH DAKOTA

	Jobs to be created						
	Year 1	Year 2	Year 3	Year 4	Year 5	=	Total
Full-time	_____	_____	_____	_____	_____	=	_____
Part-time*	_____	_____	_____	_____	_____	=	_____
Seasonal/Temp**	_____	_____	_____	_____	_____	=	_____
<b>Total New Employees</b>	_____	_____	_____	_____	_____	=	_____

\*Works less than 30 hours per week.

\*\*Works only during peak season (please specify length of peak season \_\_\_\_\_ months).

**SECTION 9. LITIGATION**

Provide summaries including descriptions of the current status of any legal proceeding, consent decrees, orders, investigations or suits against the applicant, any affiliates, guarantors and all principals with 10% or more ownership, which are currently pending or threatened or which concluded within the five years prior to the date of the application.

Has the company or principals (over 10 percent) ever been involved in any bankruptcy? Please explain.

## **APPLICATION CHECKLIST:**

Please review your application to make sure all relevant information has been submitted.

ENCLOSED

N/A

- I. Completed Application
- II. Schedules Attached:
  - A. Historical Financial Statements
  - B. Projected Financial Statements
  - C. Personal Financials (10% or greater ownership)
  - D. Resumes of Management and Principals
  - E. Supporting Cost Documents
  - F. Business Plan
  - G. Management and Organizational Chart
  - H. Employment Plan
  - I. Litigation
  - J. Letters of Commitment
  - L. Affiliate Statements
  - M. Community Impact
  - N. Business Organization Documents
  - O. Other Enclosures
  - P. Current Debt Schedule
  - Q. Drivers License- copy from applicant



### **SECTION 13. CONFIDENTIALITY STATEMENT**

South Dakota Codified Laws 1-16G-11(BED); 1-16B-14.1(EDFA);. DOCUMENTARY MATERIAL CONSISTING OF TRADE SECRETS EXEMPT FROM DISCLOSURE - Discussion of or action on trade secrets at meeting closed to public. Any documentary material or data made or received by the Board or the GOED for the purpose of furnishing assistance to a business, to the extent that such material or data consists of trade secrets or commercial or financial information regarding the operation of such business, may not be considered public records, and shall be exempt from disclosure pursuant to the provisions 1-16G-3 to 1-16G-11 inclusive. Any discussion, consideration of, or action upon such trade secrets or commercial or financial information by the Board may be done in executive session closed to the public, notwithstanding the provisions of the open meeting laws of this state.

### **SECTION 14. LOAN PROCESSING FEE**

Applicant hereby agrees that should this application be considered by the loan review committee, a fee not to exceed \$100 will be applied for any costs incurred, including, but not limited to staff time, filing/recording fees, and outside legal counsel. This fee will not be imposed if the application is denied or not funded.

**SECTION 15. CERTIFICATION-add all the required certifications under Treasury**

All information contained above and in schedules attached hereto are true and complete to the best knowledge and belief of the applicant. There is no intent to deceive or defraud the Board of Economic Development, the Economic Development Finance Authority or the South Dakota Development Corporation or any potential participant in any loans to finance this project.

The applicant recognizes that the GOED or any of the three boards may not process any application that is not complete. Incomplete applications will be returned to the applicant for completion.

The Applicant also recognizes that Chapter 68:02:01:23 of the South Dakota Administrative Rules states that ... “notwithstanding any assurance, guarantee, communication, or representation made to the contrary, there shall be no commitment of any loan program without specific authorization of the Board of Economic Development, the Economic Development Finance Authority or the South Dakota Development Corporation.” Only the board may make an award from the loan program to an applicant.

The Governor’s Office of Economic Development prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, marital or family status.

I declare and affirm under the penalties of perjury that the claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Applicant Business: \_\_\_\_\_

Officer’s Signature: \_\_\_\_\_

Officer’s Name/Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Date: \_\_\_\_\_

# Certifications

Treasury loan conditions:

*Loan Purpose* -- Consistent with Section 3006(f)(2) of the Act, Treasury may prescribe loan purpose requirement and prohibitions. For each loan resulting from an approved OCSP, the participating state shall require the financial institution lender to obtain an assurance from each borrower stating that the loan proceeds will not be used for an impermissible purpose under the SSBCI Program.

Each financial institution lender must obtain an assurance from the borrower affirming:

1. The loan proceeds must be used for a "business purpose." A business purpose includes, but is not limited to, start up costs, working capital, business procurement, franchise fees, equipment, inventory, as well as the purchase, construction renovation or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. The definition of business purpose excludes acquiring or holding passive investments such as commercial real estate ownership, or the purchase of securities; and lobbying activities (as defined in Section 3 (7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended).

2. The loan proceeds will not be used to:

a. repay a delinquent federal or state income taxes unless the borrower has a payment plan in place with the relevant taxing authority; or

b. repay taxes held in trust or escrow, e.g. payroll or sales taxes; or

c. reimburse funds owed to any owner, including any equity injection or injection of capital for the business' continuance; or

d. purchase any portion of the ownership interest of any owner of the business.

3. The borrower is not:

a. an executive officer, director, or principal shareholder of the financial institution lender; or

b. a member of the immediate family of an executive officer, director, or principal shareholder of the financial institution lenders; or

c. a related interest of an such executive officer, director, principal shareholder, or member of the immediate family.

For the purposes of these three borrower restrictions, the terms "executive officer", "director", "principal shareholder", "immediate family", and "related interest" refer to the same relationship to a financial institution lender as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part.

4. The borrower<sup>4</sup>is not:

a. a business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business; or

<sup>4</sup>Note: Permissible borrowers include state-designated charitable, religious, or other non-profit or eleemosynary institutions, government-owned corporations, consumer and marketing cooperatives, and faith-based organizations provided the loan is for a “business purpose” as defined above. 17

b. a business that earns more than half of its annual net revenue from lending activities; unless the business is a non-bank or non-bank holding company Community Development Financial Institution; or

c. a business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants; or

d. a business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted. (Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution); or

e. a business engaged in gambling enterprises, unless the business earns less than 33% of its annual net revenue from lottery sales.

5. No principal of the borrowing entity has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this certification, “principal” is defined as “if a sole proprietorship, the proprietor; if a partnership, each partner; if a corporation, limited liability company, association or a development company, each director, each of the five most highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity.”

Each participating state must obtain an assurance from the financial institution lender affirming:

1. The loan has not been made in order to place under the protection of the approved State OCSP prior debt that is not covered under the approved OCSP and that is or was owed by the borrower to the financial institution lender or to an affiliate of the financial institution lender.

2. The loan is not a refinancing of a loan previously made to that borrower by the financial institution lender or an affiliate of the financial institution lender.

3. No principal of the financial institution lender has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this certification, “principal” is defined as “if a sole proprietorship, the proprietor; if a partnership, each partner; if a corporation, limited liability company, association or a development company, each director, each of the five most highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity.”

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Borrower Certification:

Date:

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Lender Certification:

Date: