

Business Planning Assistance

All Micro Loan Applicants will need to have a completed business plan in conjunction with the loan application. The business plan helps you create and understand the financial information involved in starting a new business. Below are some resources to assist you.

- ◆ **IN PERSON BUSINESS COUNSELING:**
Cost: None

JCEDC provides in-person, confidential business planning assistance to Johnson County businesses, whether applying for a microloan or not. Visit bit.ly/JoCoMoSmallBiz to learn more or contact JCEDC to schedule an appointment.

- ◆ **SCORE BUSINESS PLAN TEMPLATE (DOWNLOADABLE)**
Cost: None

<https://www.score.org/resource/business-plan-template-startup-business>

- ◆ **ONLINE BUSINESS PLAN SOFTWARE:**
Cost: Varies

LivePlan
www.liveplan.com

Strategyzer
www.strategyzer.com

About Us

Small local businesses are at the core of economic activity in Johnson County and its communities, and support for these businesses is one of the primary roles of the Johnson County Economic Development Corporation (JCEDC).

Our offices are located on the 3rd floor of the Johnson County Courthouse. Office hours are 8 a.m. to 4:30 p.m., Monday through Friday. Weekend and evening hours by appointment.

Contact us for your loan application TODAY!

The Micro Loan Brochure & Loan Application can be accessed by visiting www.growjocomo.com → Start, Locate, Grow → Financing Tools. Or you may contact JCEDC:

Johnson County
Economic Development Corporation
300 North Holden, Suite 301
Warrensburg, MO 64093
Telephone: 660.747.0244
Fax: 660.747.0620
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www.growjocomo.com

JCEDC MICROLOAN PROGRAM



A CAPITAL RESOURCE FOR
STARTUP AND EXPANDING
BUSINESSES AND
ENTREPRENEURS IN
JOHNSON COUNTY, MO



Johnson County
Economic Development Corporation
www.growjocomo.com

What is a Micro Loan Program?

The Johnson County Economic Development Corporation was awarded a Rural Business Enterprise Grant from USDA—Rural Development to establish and manage a Micro Loan Program.

This Micro Loan Program is a locally controlled source of capital used to finance start-up and established, home-based and store front, farm-based or town-based businesses across the county and communities of Johnson County, Missouri.

Funds are available depending on the business project needs. All loan requests must meet program guidelines and be creditworthy.

This is a “direct” loan program with loans available from \$2,000 to \$10,000. The program requires owner’s equity as a part of the project financing. As with any loan, borrowers must repay their loans, including principal and interest. As borrowers repay their loans, these “revolving funds” are used to make more loans to other businesses to create more jobs and investment opportunities.

Microloan Guidelines

- ◆ Business start-up or expansion must result in the creation or retention of jobs. For example, if \$10,000 is borrowed one full-time equivalent job must be created/retained.
- ◆ Businesses must provide cash equity into the project.
- ◆ Loan terms will be determined by the Micro Loan Committee based on the project and range from a short term 6 months to a maximum of five (5) years depending on financing and collateral.
- ◆ When a bank lender is involved in the project, micro loan financing may not exceed 40% of the total project cost.
- ◆ Principals and the business must be able to demonstrate the ability to generate sufficient cash flow to repay debt.
- ◆ Principals of the business must furnish personal guaranties.
- ◆ Borrowers must pay a one time processing fee of 1% of the loan due at the time of closing.
- ◆ Businesses must be located in Johnson County or any of its municipalities.
- ◆ An environmental review of the anticipated or existing business location will be conducted.

What are the Advantages?

- ◆ **Interest Rates** - Fixed at two percent (2%) below the prime rate established at closing, not less than 4%.
- ◆ **Flexible Terms** - Financing will be structured to cover the economic life of the asset. For example, up to 3 years for working or operating capital, life of the equipment, and up to five year for real estate. No penalty for early repayment.
- ◆ **Operating Funds** - Loan funds can be used for inventory, supplies, operating expenses, equipment, or real estate.
- ◆ **Collateral Position** - This financing is more “patient” and will take a second lien position behind another lender. This may allow another lender to participate.
- ◆ **Local Control** - Loan decisions are made locally by the JCEDC Micro Loan Committee, which is representative of all of Johnson County.
- ◆ **Speed** - Local control means faster response to loan requests and a minimum of “red tape”.
- ◆ **Business Assistance** - JCEDC provides technical assistance and other resources that can help you meet your business goals.