

1587.1000 PROCEDURES FOR FINANCIAL ASSISTANCE APPLICATIONS.

Subpart 1. **In general.** To apply for assistance from the board, an applicant shall submit an application form to the commissioner on a form provided by the commissioner. An application must be completed, dated, and signed by an owner, general partner, or an authorized officer of the applicant. The commissioner shall follow the procedures under part 1587.1200.

Subp. 2. **Contents.** An application must contain at a minimum the following information:

A. A written history of the business.

B. The source and use of funds to finance the project.

C. Financial statements that include a balance sheet, an operating statement, a statement of the sources and uses of funds, and footnotes to the statements if available for the following time periods:

(1) Financial statements from the previous three years, if applicable. If unaudited, the statements must be signed by an authorized financial officer of the business making application.

(2) A current quarterly financial statement that was compiled within 90 days of the date the application was submitted, if quarterly financial statements are regularly prepared.

(3) Federal tax returns filed by the business for the previous three years if applicable, if the applicant is an individual or partnership.

(4) A proforma balance sheet and income statement for the 24 months following the financial assistance closing that shows the financial position of the applicant and that includes the proposed financing.

D. A marketing plan that describes:

(1) the industry the applicant is in;

(2) the economic outlook of that industry for the next three to five years;

(3) the major characteristics of the industry, names, locations, products, or services provided;

(4) the duration and conditions of the applicant's contracts currently in place; and

(5) the percentage of annual sales volume for each major customer over the previous three years.

E. Current resumes of key personnel and signed personal financial statements dated as of the date of the application for any person who owns 20 percent or more interest in the business.

F. A resolution of support or other comparable preliminary approval from the local government unit with respect to the project to be financed or secured with financial assistance.

G. A statement of informed consent by the applicant regarding the use and dissemination of the private data as provided in Minnesota Statutes, section 13.05, subdivision 4, paragraph (d). If the applicant is a corporation, then an authorized representative of the applicant shall provide a statement of informed consent in a form similar to that provided in Minnesota Statutes, section 13.05, subdivision 4, paragraph (d).

H. Certification that the employer does not discriminate in employment in a manner contrary to applicable federal or state laws and rules.

I. Certification of business compliance with all federal, state, or local laws or rules that affect the conduct of business in the state.

Subp. 3. **Business plan.** As part of the application, the applicant shall submit to the commissioner a comprehensive business plan. The business plan must include, but is not limited to, the following:

A. a management summary of the plan including:

- (1) name of the business;
- (2) business location and plan description;
- (3) discussion of the product, market, and competition;
- (4) expertise of the management team;
- (5) summary of financial projections;
- (6) amount of financial assistance requested;
- (7) form of and purpose for the financial assistance;
- (8) purpose for undertaking the project; and
- (9) business goals;

B. a description of the company including the following:

- (1) date and state of incorporation, date and state of formation of partnership, or date and state of formation of sole proprietorship;
- (2) history of the company; and
- (3) principals and the roles they played in the evolution of the company;

- C. a market analysis including:
 - (1) description of the current industry status and industry trends;
 - (2) effects of major social, economic, technological, or regulatory trends on the industry;
 - (3) description of the total market, principal market participants, and their performance; and
 - (4) discussion of the target market and competition;
- D. a description of the product or product line including:
 - (1) list of patents, copyrights, licenses, or statement of the proprietary interest in the product or product line;
 - (2) discussion of technical and legal considerations;
 - (3) comparisons to competitors' products or product lines; and
 - (4) description of research and development and future plans for research and development;
- E. a description of the marketing strategy including:
 - (1) overall strategy;
 - (2) pricing policy;
 - (3) sales channels and terms;
 - (4) method of selling, distributing, and servicing product;
 - (5) estimated sales and market share; and
 - (6) advertising, public relations, and promotion;
- F. the management plan including:
 - (1) form of business organization;
 - (2) board of directors composition, if applicable;
 - (3) officers organization chart and responsibilities; and
 - (4) resumes of key personnel;
- G. an operating plan including:
 - (1) schedule of upcoming work for the next one to two years;
 - (2) facilities plan or planned capital improvements for the next three years;
 - (3) manufacturing processes; and

(4) staffing plan (number of employees);

H. a schedule indicating the completion dates for realizing the significant aspects of the business plan;

I. a discussion of the risks and problems inherent to the business plan, including both the negative factors and plans to minimize the impact of those factors; and

J. financial data including:

(1) a funding request indicating the desired financing, capitalization, use of funds, and future financing;

(2) financial statements for the past three years, if applicable;

(3) current financial statements;

(4) monthly cash flow financial projections including the proposed financing for two years; and

(5) projected balance sheets, income statement, and statement of changes in financial position for two years including the proposed financing.

Statutory Authority: *MS s 41A.04*

History: *10 SR 475; L 1987 c 386 art 2 s 22,23*

Published Electronically: *September 10, 2007*