

# SMB Capital Application Prep Program

City of Kansas City Office of Small Business  
The KC BizCare Office

## **PROGRAM OVERVIEW:**

The capital prep program is a collaborative initiative led by the City of Kansas City in partnership with local chambers, entrepreneurial support organizations (ESOs), CDFIs, banks, and funders to provide technical assistance for application prep and financial counseling. The program aims to serve as a lifeline for BIPOC business owners to access low to no-interest capital to start or grow their businesses in the pandemic.

The SMB Capital Prep Program will help to build a long-term capital access eco-system for recovery. By engaging and compensating a network of service providers to engage in preparation work for BIPOC owned small businesses, the city, is the center point for its local small business eco-system. This eco-system, and the network of organizations that participated and support it, will be vital as the city moves from the pandemic recovery through the economic recession.

The model to build a strong infrastructure to get capital to our BIPOC entrepreneurs was piloted through the PPP Prep-Kansas City project that was deployed during the 3<sup>rd</sup> round of the Paycheck Protection Program (PPP) small business federal relief efforts. The model was introduced to the city through the National League of Cities (NLC) following a model out of Philadelphia.

The city's pilot application preparation program, [PPP-Prep Kansas City](#) assisted black and brown business with accessing close to \$2.5M in SBA and local relief funds and forgiveness and helped the city and its partners to start closing the gap on quality data on BIPOC businesses by building a database on business owners. The long-standing data deficiencies of BIPOC businesses consistently undermines business owners as they seek to advocate for additional resources and support.

**THE INFRASTRUCTURE MODEL:** elements needed to build a strong program network to support the small businesses in accessing capital include, but not limited to, the following:

1. Identify ESO partner(s) to provide the technical support to the businesses looking to access capital.
2. Working with the ESO partner(s), identify qualified accountant/bookkeepers to provide back-office support for assisting businesses with preparing financial statements.
3. Identify 1-5 financial partners with low or no-interest rate capital products that the ESO(s) can assist the small businesses with accessing.

4. Development of a “capital ready” checklist to certify that the small business’s application has all the required paperwork to successfully apply for the loan.
5. Set a goal for a number of businesses, raise capital, and develop a flat-fee model to incentivize service providers to partake.
6. Launch a capital campaign for outreach to local entrepreneurs through collective social media platforms, email, webinars, etc.
7. Create a data dashboard of aggregated data of program applicants for capital access

**THE PROGRAM STRUCTURE:** the program structure for how business will access the program and support services are as followed:

1. Fill out an in-take form through a central platform, the [KC BizCare Website](#), to request assistance. The ESO partner will
2. Upon completion of the in-take, entrepreneurs will receive a general or customized (depending on the number of loan products) checklist of required application documents through the platform (website).
3. Receive consultation with ESO and accountant/bookkeeper to prepare financial statements and other required application documents.
4. Organize paperwork and prepare application for submittal with financial partner.

**PROGRAM BUDGET:** the following is a budget summary for the program on an annual basis per ESO partner is \$250,000:

<b>Category</b>	<b>Summary of Scope</b>	<b>Amount</b>	
<b>Administrative Fees</b>	To cover costs of the administrative support of the ESO partner to designate a FT/PT staff person(s) to support follow up, scheduling, and application prep	\$75,000	
<b>Marketing/Outreach</b>	Marketing expenses related to outreach efforts to promote the program and activation activities (events). A social media marketing campaign and ads.	\$15,000	
<b>Accountant Fees</b>	Develop a flat-fee model to incentivize service providers to provide 2 hours minimum one on one consulting to businesses owner to helps prepare financial documents for the grant/loan application. This can also include admin fees for a FT/PT accountant/bookkeeper dedicated to the program.	\$150,000	
<b>Tech/CRM/Data</b>	Design and build of a in-take form and data dashboard for the applicants to the program.	\$10,000	
		<b><u>\$250,000.00</u></b>	

**DATA DASHBOARD:** reporting for the capital application prep program that will tracked via, the in-take and client tracking form will include, but not limited to:

1. **Number of training hours**
2. **Number of clients trained**
3. **Number of clients receiving approved loan or grant funding starting a business**
4. **Number of clients receiving approved loan or grant funding with their business in operation (business survival)**
5. **Number of jobs created or retained**
6. **Percent increase of revenue (gross sale dollars)**
7. **Metric Crosscuts.** measure the outputs and outcomes through the following crosscuts:
  - a. Gender
  - b. Race
  - c. Ethnicity
  - d. Veteran Status
  - e. Disability Status
  - f. LGBTQ
  - g. Business Status - Years in Business
  - h. Business Industry
  - i. Geography (via Zip Code)
  - j. State

**Number of unique clients who receive assistance in the development of their:**

- Loan application
- Grant application
- Other application

**Dollar amount request of completed:**

- Loan application
- Grant application

**Dollar (millions) amount of approved**

- Loans
- Grants (Federal, State, Local or Private Sector Grants)

**Number of counseling hours to develop and submit:**

- Loan application
- Grant application
- Other application

**Number of counseling hours provided for:**

- Credit counseling, financial literacy
- Business technical assistance (operation, marketing, sales, management, etc.)
- Contracting and procurement
- Other business development technical assistance (exporting, industry specific technical assistance)