NEW SHARON
A PLACE TO GROW

City of New Sharon Revolving Loan Fund (RLF) Policy

Purpose

The City of New Sharon's Revolving Loan Fund (RLF) was established to promote economic development, support small businesses, and enhance community vitality by providing low-interest loans to eligible applicants. The fund is designed to fill financing gaps, encourage private investment, and stimulate job creation within the city limits.

Committee Structure

RLF Committee Composition

The RLF Committee shall consist of five voting members appointed by the City Council:

- 1 City Council Member (appointed annually)
- 1 Local Business Owner
- 1 Financial Institution Representative
- 1 Economic Development Professional
- 1 At-Large Community Member

Terms & Responsibilities

- Members serve staggered 3-year terms to ensure continuity.
- The committee meets quarterly, or as needed, to review applications.
- Members must disclose any conflicts of interest and recuse themselves from related decisions.

Loan Selection Criteria

To be eligible for RLF consideration, applicants must meet the following minimum requirements:

- Operate or plan to operate a business within New Sharon city limits.
- Demonstrate financial need and inability to secure full funding from traditional sources.
- Provide a detailed business plan, financial projections, and collateral (if applicable).
- Agree to job creation or retention goals as part of the loan agreement.

Points-Based Qualification System

Applications will be scored using a 100-point system across five categories:

Category	**Points**	**Description**
Business Viability	0–25	Strength of business plan, market analysis, and financial projections.
Community Impact	0–20	Job creation, local economic stimulation, and alignment with city goals.
Financial Need	0–20	Demonstrated gap in funding and inability to secure full financing elsewhere.
Owner Investment & Commitment	0–15	Personal investment, experience, and long-term commitment to the business.
Collateral & Risk Mitigation	0–20	Quality of collateral, repayment ability, and risk assessment.

Scoring Thresholds

- 85–100 points: Strong candidate; recommend approval.
- 70–84 points: Moderate candidate; may require additional documentation or conditions.
- Below 70 points: Not recommended; may reapply with revised proposal

Loan Terms

- Loan Amounts: $1,000 – $50,000
- Interest Rate: Below market rate (determined annually by the committee)
- Repayment Period: Up to 10 years
- Grace Period: Up to 6 months (case-by-case basis)
- Use of Funds: Equipment, inventory, working capital, building improvements, etc.

Application Process

1. Submit the completed RLF application to City Hall.
2. Staff reviews for completeness and forwards to the RLF Committee.
3. Committee evaluates using the points system and votes on recommendation.
4. Final approval by City Council.
5. Loan agreement executed, and funds disbursed.

Reporting & Compliance

- Borrowers must submit annual financial reports and progress updates.
- Committee reserves the right to conduct audits or request additional documentation.
- Non-compliance may result in penalties or loan recall.

STATEMENT OF PURPOSE

The New Sharon's Revolving Loan Fund (RLF) is a committee dedicated to advancing the community of New Sharon through funding of projects and programs designed to benefit the community.

Funds will be used to match other funds or in-kind efforts. New Sharon's Revolving Loan Fund (RLF) should not be the sole support for a project or program.

The New Sharon's Revolving Loan Fund (RLF) should be a way to expand, enlarge, or enrich a program or project and should not be used for operational costs or regular maintenance.

The New Sharon's Revolving Loan Fund (RLF) will not be allocated to support any religious activities of any church or faith. However, the New Sharon's Revolving Loan Fund (RLF) will consider support of community-wide efforts which one or more churches may be developing or assisting.

The New Sharon's Revolving Loan Fund (RLF) financial records and decision process will be available for public review and comment.

The New Sharon's Revolving Loan Fund (RLF) will focus on concerns for small projects involving $1,000 or less and larger projects of over $1,000. Attached are applications for both funding ranges.

APPLICATION FOR FUNDING OF OVER $1,000.

Please complete the questions and attach the cover page included in the packet. Read the following instructions carefully.

1. Complete all of the questions.
2. Provide answers to the questions on a separate sheet of paper. Please limit your response to three (3) type-written pages. Exhibits may be extra.
3. Be as specific as possible and provide enough detail so a complete understanding of the project can be achieved.
4. Provide only information pertaining to this project.
5. Provide supporting material necessary to document your discussion of the project.
6. Complete and include the cover page with your application.

Applicants agree they will report to the Committee the status of all fund-raising efforts should the Committee grant their request for funds. During the project, the recipient will report any deviations from the budget presented to the Committee for approval. Should funds remain after the project is completed, the recipient agrees to return the excess to the Foundation.

Your project will be assigned to a committee member. This person will be your contact with the Committee for questions and communication during the application review process. Should your request be approved, this person will monitor the progress of your project and report to the RLF Committee.

APPLICATION QUESTIONS

1. **The Organization.**

a. Briefly describe your organization's purpose, mission, size, membership, leadership and past projects.

2. **The Project**

a. Describe the proposed project for which you are applying for funds. Include in your discussion enough information so the RLF Committee can gather a complete understanding of your goals.

b. Describe the need for this project and who will benefit?

c. Does this project replace a present program/ business, if so, explain?

d. Outline the timetable for the project, from beginning to end.

e. Discuss the planning your organization has done on this project.

f. Who will administer the project?

3. **The Community**

a. How were the needs identified when your organization developed this project. Discuss your analysis.

b. Discuss the project's objectives and goals.

c. Will this project complement or compete with other community projects or business? If so, in what way(s). Please detail.

4. **The Cost**

a. Describe how the RLF Committee funds will be used in detail.

b. Are there other funds or in-kind efforts that will be used to make this project or business a success?

c. If applicable, provide a detailed income and expense budget for the project. Discuss how you arrived at your cost estimates.

d. If this project requires on-going funds, such as operations or maintenance expenses, please explain what you anticipate these costs to be and how

they will be covered

APPLICATION COVER PAGE

Complete and attach this page to your application response and deliver to the address listed below.

Organization Name ____________________ _____________

Address____

City ___________ State _____ Zip Code ____ _

Is this an IRS registered non-profit organization? YES NO

If yes, please provide your 501 (C)(3) number __________ _

Contact for questions or clarification RLF Committee may have

Contact____

Title or relationship to project _________________ _

Telephone __________________________________

Total Funds Requested from RLF Committee $ __________ _

The undersigned agrees to provide the RLF Committee with periodic progress reports of the project. A final accounting of costs must be forwarded to the RLF Committee within 30 days of completion of the project. Any remaining funds raised for this project must be returned to the New Sharon's Revolving Loan Fund (RLF) committee, as outlined in the instructions.

This application is presented to the New Sharon's Revolving Loan Fund (RLF) committee this _____ day of ______ _ 20____

____

Printed Name of Project Administrator

____

Signature of Project Administrator

APPLICATION FOR FUNDS OF $1,000 OR LESS

Complete the information below and attach a detailed description of your project need.

Please deliver all to the address listed at the bottom of this page.

Organization Name ____________________ _

Address____

City _____________ State _____ Zip Code ___ _

Is this an IRS registered non-profit organization? ---YES NO

If yes, please provide your 501 (C)(3) number __________ _

Contact for questions or clarification the RLF Committee may have:

Contact _______________________________________

Title or relationship to project _________________ _

Telephone_(_____) __________________

Total Cost of Project: $ _________________ _

Total Funds Requested from RLF Committee: $ __________ _

Estimated Date of Completion: _______________ _

The undersigned agrees to provide the RLF Committee with periodic progress reports of the project. A final accounting of costs must be forwarded to the RLF Committee within 30 days of completion of the project.

This application is presented to the New Sharon's Revolving Loan Fund (RLF) committee this ________ day of _______ , 20____.

____

Printed Name of Project Administrator

____

Signature of Project Administrator

PROJECT DESCRIPTION FOR REQUESTED FUNDS OF $1,000 or LESS:

Organization Name ______________________ _

Project Description: