



Access to Capital Application Checklist

All applicants requesting ARC funding for Access to Capital Grants (For Loans or Equity Capital) should use this checklist to develop a complete project application. The framework for the checklist is based on ARC's 2022-2026 Strategic Plan, which emphasizes strategic focus, collaboration, sustainability, and measurable impact as well as on the Access to Capital Application and Operating Guidelines.

This checklist should be used for both POWER grants and Area Development. Please list the page numbers where the information can be found

SECTION 1: STATE TRANSMITTAL LETTER

SECTION 2: REQUIRED APPLICATION FORMS, Page

Include the required application forms:

- Federal Standard Form 424: Include ARC funds and all matching funds
- Federal Standard Form 424A: Budget Information for Non-Construction Programs
*Note: The applicant will show all capital in the "Other" line item and corresponding narrative as part of the application.
- Federal Standard Form 424B: Non-Construction Assurances
- ARC Memorandum of Understanding
- Forms required by state ARC program offices (ARC Form 3 may be required)

SECTION 3: EXECUTIVE SUMMARY, Page

- Provide a short executive summary of project goals and strategies, purpose, key activities, strategic rationale, collaborative partnerships, project sustainability and capacity, and performance measures. This should be a synopsis of the longer project narrative, provided in Section 4. See the ARC [Executive Summary template](#) for format and guidance.

SECTION 4: PROJECT NARRATIVE, Page

Formatting instructions: Use the headings below as headings in the project narrative. The suggested length of the narrative is five to eight pages. Please number the pages.

1. Goals and Strategies, Page # ____

- List the primary ARC goal and the primary ARC objective the project will address (one goal and one objective only). See [ARC's 2022-2026 Strategic Plan](#) for a list of ARC goals and objectives.
- List the primary ARC state strategy the project will address. Consult your state's most recent Strategy Statement and your state's ARC program manager for additional guidance.

2. Project Description, Page # ____

- Provide a brief statement that describes the project's primary purpose, main activities, and expected impacts.
- Describe in detail what activities and processes the project will engage in, who will conduct the activities, and who will participate.
- Outline the proposed financial products and/or services.
- Describe one or two sample projects and how the deals might be structured.
- Detail any technical assistance to be provided to borrowers

3. Strategic Rationale, Page # ____

- Describe the gaps in currently available capital for the targeted communities. Summarize local and regional demand, including the number of projects, types of projects, and total dollars needed.

- If applicable, provide the deployment rate for currently available assets and outline restricted and unrestricted asset allocation.
- Provide a document (no more than one page) outlining a pipeline of loan or equity investment opportunities, including the type of business (e.g., retail, restaurant, manufacturing, etc.), amount requested (if available), and brief description (1-4 sentences) of the intended use of financing.
- Include any feasibility studies or other assessments substantiating the demand for this project.
- Provide at least two letters of demand from businesses and other community stakeholders that attest to the need and impact of the proposed project.
- Describe traditional sources of financing or financial services available to the target communities and how the proposed product/services are superior or complementary.

4. Regional Strategy/Plan, Page

- Explain how the proposed project represents progress toward addressing a regional strategy, such as a comprehensive economic development strategy or a local visioning process.
- Describe other project benefits likely to result from the project (e.g., positive impact on future economic development activity in the area).

5. Collaborative Partnerships, Page # ____

- Describe any partnerships or collaborations with other local community, state, regional, and federal partners in developing the proposal, particularly outlining key organizations within the Region's entrepreneurial ecosystem that will support effective lending or investing.
- Describe the Applicant's ownership, including the following information if applicable: For organizations that have affiliated companies (e.g., parents, affiliates, subsidiaries), please provide a list of the individual owners with the contact information of those entities. Briefly describe the relationship between the Applicant and these other entities and individuals, including management and products/services exchanged.
- Provide an overview of underwriting/investment guidelines and portfolio management systems.
- Discuss whether the applicant is a member of any finance associations or organizations and the level of involvement.

6. Organizational Experience, Page

- Grants Management: Describe ability to adhere to grant compliance and reporting requirements by describing any (1) experience in managing previous grant(s); (2) familiarity with federal grants regulations; and/or (3) experience managing federal awards.
- Staff Qualifications: Briefly describe the qualifications of key individuals who will manage and operate the project including staff and the members of the investment committee. Attach position descriptions (if not hired) or brief resumes of these individuals. Briefly describe the applicant's capacity to manage the funds and conduct associated programmatic activities effectively. Describe the applicant's experience with similar activities
- Please confirm that you have read ARC's Access to Capital Projects Application and Operating Guidelines document.

7. Outside Personnel Qualifications, Page

- If you plan on procuring the services of contractors or consultants to conduct any part of the project, describe the competitive procedures that will be used to select them. (You will be required to submit qualifications of all consultants and subcontractors once procured.)

8. Project Sustainability, Page

- Explain how the project will achieve long-term sustainability once ARC support is no longer available. Include a plan and timeline of efforts to secure other sources of support for future

operations.

9. Performance Measures, Page

- List the expected outputs and outcomes of the project. See the Guide to ARC Project Performance Measures for information on identifying outputs and outcomes.
- Provide a credible and established methodology for estimating each performance measure that results from the project.
- If project has “jobs created,” “jobs retained,” or “leveraged private investment” as a performance measure, *Capital raise will count towards LPI Performance Measure
- If the project’s performance measures include a paired outcome such as “businesses, communities, households, organizations, participants, patients, students, or workers/trainees improved,” provide a definition of what improvement means and an explanation for how the improvement will be tracked and measured.

SECTION 5: BUDGET INFORMATION, Page

Provide a detailed budget that lists the sources and uses of ARC funds and all non-ARC matching funds.

1. 424A and Budget Narrative, Page

- Provide a budget narrative that includes a detailed explanation of expenditures by the line items listed on Standard Form 424A. As noted above, include capital raise in “other” line item when applicable and include in corresponding narrative
- If the budget includes personnel or contractual expenses (cash or in-kind resources), estimate the number of hours/days and hourly rate (or portion of FTE and salary) for the time that is expected to be spent on the proposed project by key personnel, contractors, or consultants. (After grant is awarded, all time should be tracked by actual hours worked for each person – see example in budget narrative sample)
- If budget includes land or buildings, provide a MAI appraisal or comparable appraisal.

2. Non-ARC Funding Commitments, Page

- Identify each non-ARC funding source as federal, state, local, or private. Include a letter of commitment from each funding source that specifies the amount of funds committed and the kind of funds committed (grant, loan, cash, in-kind, etc.).
- In the case of private capital raise, include a letter that states that all capital raise has been completed or is in progress (see Access to Capital Application and Operating Guidelines)
- Provide descriptions of in-kind resources, including the methods used to determine their value.

3. ARC Match Rate Calculation and Private Capital Raise Requirements, Page

- List each county the project will serve and the economic status of each county. See ARC's County Economic Status tables and map to identify county economic status.
- Please refer to Access to Capital Application and Operating Guidelines for information about match and capital raise requirements specific to Access to Capital projects.
- For further match-related questions, contact your state's ARC program manager.

SECTION 6: SUPPORTING MATERIALS AND ADDITIONAL DOCUMENTATION, Page

- Please upload a five-year pro forma balance sheet that reflects the use of the loan proceeds and grant award; indicating the necessary start-up capital, operating capital, and short-term credit; and projected cash flow and income statements for five years supported by a list of assumptions showing the basis for the projections.
- If an existing financial organization, please provide historical financial statements prepared according to Generally Accepted Accounting Principles (GAAP) for the past 3 years, including income statements and balance sheets and a current balance sheet and income statement according to GAAP and dated within 90 days of the application.
- Please upload underwriting and investment guidelines and policies as part of the fund's Operation Plan.
- Please attach the loan and/or investment Operating Plan making sure to note purposes, processes, rates/terms limits, underwriting guidelines, loan review committee members and

- their experience, and other requirements as referenced in the
- If the applicant has a business plan, please attach it to the application.
 - Do not include form letters.

Reference Documents:

ARC Strategic Plan <https://www.arc.gov/strategicplan/>

State ARC Four-Year Development Plans <https://www.arc.gov/state-plans-strategies/>

ARC Access to Capital Guidelines: <https://www.arc.gov/resource/access-to-capital-projects-application-and-operating-guidelines/>

ARC County Economic Status

<https://www.arc.gov/classifying-economic-distress-in-appalachian-counties/>

<https://www.arc.gov/match-requirements-for-arc-grants/>

ARC Performance Measures <https://www.arc.gov/resource/guide-to-arc-project-performance-measures/>

ARC Budget Narrative Sample <https://www.arc.gov/resource/budget-narrative-template/>

ARC Grantee Forms and Instructions <https://www.arc.gov/grant-resources/>