

## 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.

Please be sure to refer to the Access to Capital Application and Operating Guidelines for more information on the bullet points noted below and to more fully understand ARC's capital program: <https://www.arc.gov/resource/access-to-capital-projects-application-and-operating-guidelines/>

Though similar in content and structure to ARC's Non-Construction Application Checklist, the Access to Capital Application Checklist includes additional guidance and detail that is specific to projects of this category. Those seeking funding through ARC's POWER or ARISE initiatives should also consult current program NOSAs to ensure that application packages align with the structural/submission guidance contained within.

Please list the page numbers where the information can be found.

**SECTION 1: Transmittal Letter** (usually provided by the state upon recommendation to ARC).

**SECTION 2: REQUIRED APPLICATION FORMS, Page # \_\_\_\_**

*Include the required application forms:*

- Federal Standard Form 424\*: Application for Federal Assistance  
*(\*Note: Include ARC funds and all matching funds; put all applicant funds dedicated to the project in the "local" line item)*
- Federal Standard Form 424A: Budget Information for Non-Construction Programs  
*(\*Note: 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
- Any forms required by state ARC program offices (ARC Form 3 may be required)

Find all required forms on ARC's website <https://www.arc.gov/resource/standard-forms-for-non-construction-applications/>

**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.

For format and guidance, please see ARC Executive Summary template found here: <https://www.arc.gov/resource/executive-summary-template-for-arc-applications/>

**SECTION 4: PROJECT NARRATIVE**

*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 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:

<https://www.arc.gov/strategicplan/>

- 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.

Find your State's Strategy Statement here: <https://www.arc.gov/state-plans-strategies/>

\*Note: Multi-state Access to Capital Applicants should indicate "ARISE Initiative" or "POWER Initiative" in this section as appropriate.

## 2. Project Description, Page # \_\_\_\_

- Describe the project's primary purpose, main activities, and expected outcomes.
- Outline the proposed financial products and/or services.
- Describe one or two sample projects and how the deals may be structured.
- Detail any technical assistance to be provided by borrowers and identify whether this technical assistance is provided "in-house" or by outside sources.
- Identify the counties where the proposed project will be based and the counties in the project's entire service area. If the project is not county-wide, identify the census tracts (and economic status, particularly if a Distressed Area) of the project's entire service area.

See ARC's County Economic Status tables and : <https://www.arc.gov/classifying-economic-distress-in-appalachian-counties/>

- Provide a detailed work plan that includes a description of all major project activities (what will be done and by whom) and timelines for each activity during the project. Include as many details as possible.

Find workplan template here: <https://www.arc.gov/resource/workplan-template/>

## 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.
- Please summarize any pipeline of loan or equity investments, feasibility studies, and letters of demand from businesses.
- 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 the development of 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. Please describe the relationship between the applicant and these other entities and individuals, including management and products/services exchanged.

#### 6. Organizational Experience and Capacity, 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 grant 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. Briefly describe the applicant's capacity to manage the revolving loans or investment funds and conduct associated programmatic activities effectively. Describe the applicant's experience with similar activities.
- Indicate whether the applicant is a member of any finance associations or organizations and describe their level of involvement.
- Provide an overview of underwriting/investment guidelines and portfolio management systems; upload and include policies as part of your current operating plan.
- 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, please describe the competitive procedures that will be used to select them. (You will be required to submit the 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.
- Provide a credible and established methodology for estimating each performance measure that results from the project.

Specific guidance for Access to Capital Project performance measures are included in ARC's Access to Capital Projects Application and Operating Guidelines. These measures include:

- Businesses Served/Businesses Improved
- Leveraged Private Investment (LPI)
- Jobs Created
- Jobs Retained
- Businesses Created

\*Please note that all Access to Capital projects MUST include at least one of the performance measures listed above.

\*For POWER Projects ONLY, capital raise will count towards LPI measure.

Additional information on ARC Performance Measures can be found:

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

## SECTION 5: BUDGET INFORMATION AND SUPPORTING MATERIALS

### 1. Detailed Budget and Budget Narrative, Page #\_\_\_\_

- Provide a detailed budget using the 424A form that lists the sources and uses of ARC funds and all non-ARC matching funds.

POWER Projects Only: Show the ARC request and private capital raise in the “other” budget line item on the 424A.

- Provide a budget narrative that includes a detailed explanation of expenditures by the line items listed on Standard Form 424A.

ARISE and Area Development applicants: Include purpose of travel and supply/equipment lists, and describe expenses in the “other” line item, if applicable.

POWER Projects ONLY: Include and describe the capital raise in “other” line item on the budget narrative.

See here for ARC’s budget narrative template: <https://www.arc.gov/resource/budget-narrative-template/>

- 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 individually).
- If the 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.).
- Provide descriptions of in-kind resources, including the methods used to determine their value.
- POWER Projects require a 3:1 capital raise. Include a letter that all capital raise has been completed or is in progress (see “supporting materials and additional documentation” section below for more detail).

\*Please note for POWER Projects: The capital raised for this portion of the grant may not be used to cover the match of technical assistance or operational expenses. ARC’s match requirements are applied for non-capital portions of the budget. However, the capital raise may be used to cover the match for the loan/investment portion of the grant.

## 3. ARC Match Rate Calculation, Page # \_\_\_\_

- Match rate obligations are based on the economic status of the counties involved.

For general information on ARC’s match requirements, please see:

See ARC’s County Economic Status tables and map to identify county economic status: <https://www.arc.gov/classifying-economic-distress-in-appalachian-counties/>

See here for information on ARC match requirements: <https://www.arc.gov/match-requirements-for-arc-grants/>

\*As noted, POWER applicants must also include a 3:1 capital raise in addition to general match requirements.

Please refer also to the Access to Capital Application and Operating Guidelines for more information about capital raise and match requirements.

## SECTION 6: Supporting Material and Additional Documentation, Page # \_\_\_\_

- Enclose any pertinent supporting materials that will lead to a better understanding of the proposed project.

- ❑ Include 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 these 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.
- ❑ Upload/attach a document (no more than one page) outlining a pipeline of loan or equity investment opportunities, including the type of business, amount requested (if available), and the intended use of financing.
- ❑ Please include the loan and/or investment Operating Plan. Note purposes, processes, rates/terms limits, underwriting guidelines, loan review committee members and experience, underwriting and investment guidelines/policies, and any other requirements referenced in the Access to Capital guidelines.
- ❑ For POWER Applicants only: Attach/include a letter that demonstrates proof of capital raise. This letter should state that the capital raise has been secured. If all the capital is not raised by the time of approval, the applicant must provide a letter showing progress on current capital raise. The letter must also contain a commitment to complete the raise by the expected date. The raise could also be provided on a loan-by-loan or investment-by-investment basis; however, the applicant needs to guarantee that the match will be provided.
- ❑ If applicant has a business plan, please attach.
- ❑ Documentation of Staff Qualifications: please attach or include position descriptions (if not yet hired) or brief resumes of key individuals involved in the 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 and that were described in the strategic rationale. Include feasibility studies or other assessments if applicable.
- ❑ 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's Access to Capital Webpage <https://www.arc.gov/access-to-capital-program/>
- ARC Access to Capital Guidelines: <https://www.arc.gov/resource/access-to-capital-projects-application-and-operating-guidelines/>
- POWER Applicant Webpage <https://www.arc.gov/grants-and-opportunities/power/power-initiative-application-information/>
- ARISE Applicant Webpage <https://www.arc.gov/grants-and-opportunities/arise/arise-application-information/>