

CLIMB Fund

Lending for Opportunity



Small Business

Application Workshop



CLIMB Fund
Lending for Opportunity

What are Community Development Financial Institutions (CDFIs)?

- A CDFI is a specialized, mission-driven financial organization certified by the U.S. Treasury that provides affordable financial products and services to low-income individuals, businesses, and underserved communities lacking access to traditional banking.
- CDFIs act as critical links, offering loans, capital, and financial coaching, filling gaps left by mainstream banks
- CLIMB Fund is a state and federally certified CDFI and 501(c)(3) non-profit that serves the entire state of South Carolina



Zen Dog Spa, Charleston, SC

Who is CLIMB Fund?

“CLIMB Fund is a not-for-profit that advances economic opportunity by providing financial assistance, business education, and developmental services to foster and support the creation, expansion, and retention of businesses and industry; increasing employment, and stimulating development”

OUR MISSION:

- Create **access to capital** for small businesses that cannot secure traditional financing
- Improved **economic opportunity**, economic justice, and job creation



Verde, Charleston, Mt. Pleasant, & Columbia, SC

CLIMB Fund's History

FOUNDING:

- Began in 1979 as Charleston Citywide Local Development Corporation (Charleston LDC)
- Became CLIMB Fund and expanded state-wide in July 2021

LENDING HISTORY:

- 1,000+ loans
- \$50+ Million dollars lent
- **7,000+** Jobs Created



Bkedshop, Charleston & Summerville, Sc



Integrated Insurance Advisors, Chesnee, SC

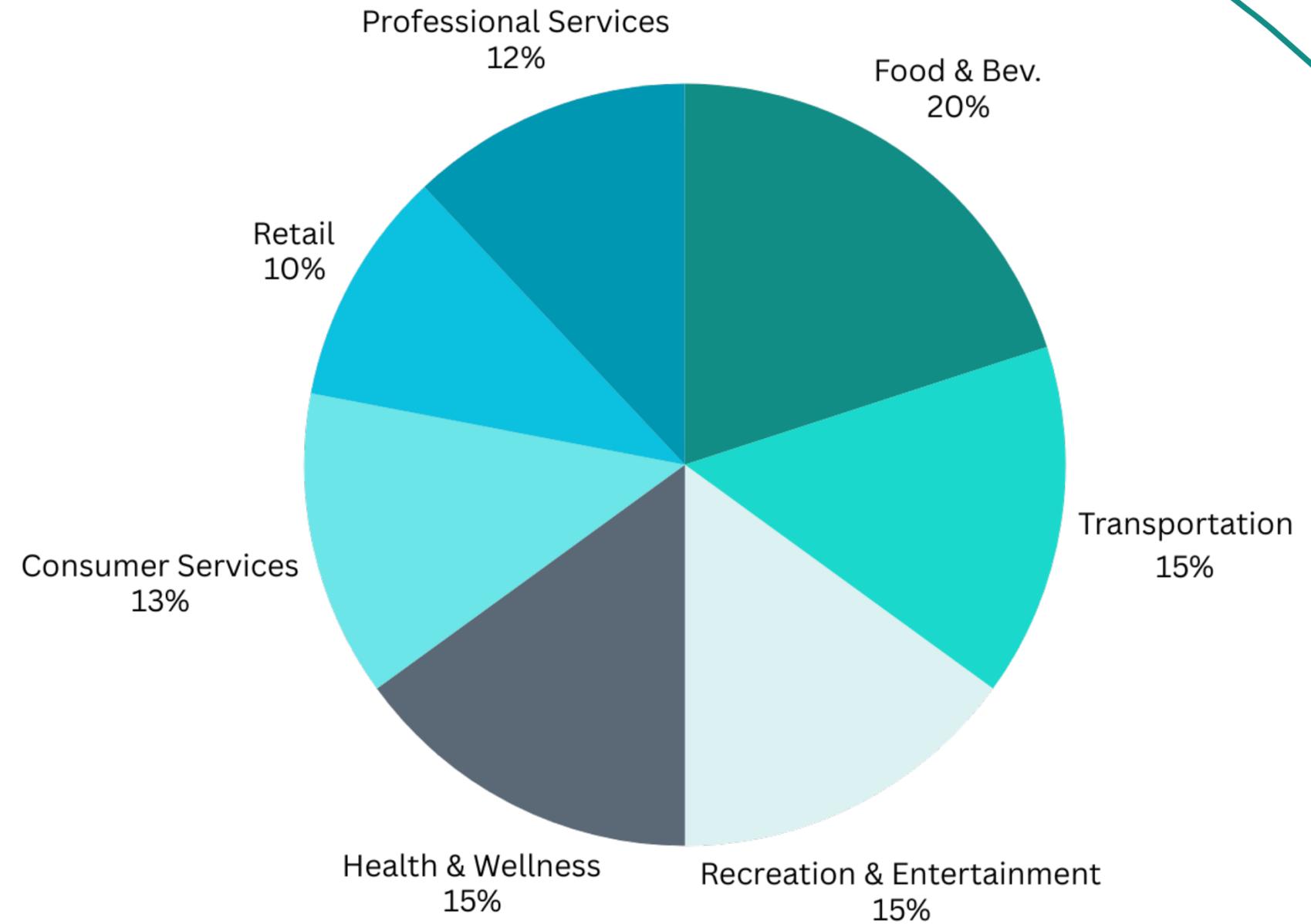


Elwood Prison Wine, Boiling Spring, SC

CLIMB Fund's Borrowers

Our Impact:

- **60%** of businesses owned by people of color
- **35%** of businesses owned by women
- **19%** of businesses owned by veterans
- **Over 60%** of businesses owned by low/median income borrowers



Eligibility

- All owners must be U.S. citizens
- Must be a **for-profit** business operating within the state of South Carolina
- Must be declined for a business loan by a bank or credit union
 - *formal letter or email from banker
- Must meet the SBA's eligibility guidelines and definition of a small business (varies by industry)
- Must not have a recent bankruptcy (less than two years)
- Cannot be delinquent on child support payments or federal debt, such as student loans
- Must demonstrate ability to repay the loan



Swank Desserts, Summerville, SC

CLIMB Fund Cannot Lend to the Following Industries:

- Non-profits
- For-profit religious institutions
- Sin-based businesses
- Residential real estate businesses
- Businesses selling marijuana or hemp products
- Businesses offering loan products or packaging
- Private clubs that limit membership based on anything other than capacity
- Political or lobbying organizations
- Businesses only selling items that are manufactured outside of the U.S

CLIMB Fund's Lending

SBA Microloan

- Up to \$50,000
- Rate: 7.75%
- Term: Up to 7 years
- Funds cannot be utilized for commercial property purchase or renovation or debt refinance

CLIMB Fund Small Business Loan

- Up to \$500,000 (max exposure per client)
- Rate: 11%
- Term: Up to 10 years

CLIMB Fund LOC

- Up to \$25,000
- Rate: Prime + 5%
- Term: 1-2 years with extension options

* Most clients are structured with a mix of products

Uses of Funds

- Fixtures, Furnishings, and Equipment
- Renovations
- Purchase of Commercial Property
- Inventory and Supplies
- Business Debt Refinance
- Purchase of Assets of an Existing Business
- Working Capital (to cover up to 6 months of business expenses)

Funding Cannot Be Used For:

- Owner's Salary or Investment Reimbursement
- Personal Debt Refinance
- Purchase of Residential Real Estate
- MCA Refinance
- Goodwill

5 Cs of Credit

- **Character: Your Credit History / Reputation**
 - Credit Report
 - Resume
- **Capacity: Your Ability to Repay**
 - Tax Returns / W2s
 - Pay Stubs
 - Bank Statements
 - Business Financial Statements
- **Capital: Your Investment into the Project**
 - Use of Funds
 - Receipts
 - Bank Statements
- **Collateral: The Assets that will Back the Loan**
 - Personal Financial Statement
- **Conditions: Economic and Environmental Factors**
 - Business Plan
 - Projections
 - Lease Agreement



Full Circle Fitness, Summerville, SC

Lending Guidelines

Income:

- CLIMB Fund considers both personal and business income in underwriting
- Start-ups will heavily rely on the owner's personal income to support the loan's cash flow
- CLIMB Fund encourages new entrepreneurs to maintain full or part-time employment to help stabilize their finances while their business is getting up and running
- If the owner's income is not sufficient for loan repayment, we advise adding on a personal guarantor who will act as a cosigner on the loan

Owner's Equity:

- CLIMB Fund does not require a down payment or certain % of owner's injection into the project; however, we recommend a 10% investment.
- Having money to put towards your business will always benefit your application

Credit Requirements:

- CLIMB Fund does not have a minimum credit score, but we will review your credit history
- You will need to address any outstanding delinquencies before you apply
- CLIMB Fund does not consider medical collections in underwriting.

Collateral Guidelines

- CLIMB Fund does have some flexibility regarding a minimum collateral ratio needed for approval, and we will consider all assets that you may have to secure your loan
- CLIMB Fund will always take a **personal guarantee** from each owner with 20% or more stake in the company and a **blanket lien on all FFE** (Fixtures, Furnishings, and Equipment)

Accepted Collateral:

- Equipment (50% of value)
- Automobiles
- Real Estate (80% of value)
- Business Guarantee
- Additional Personal Guarantees
- Valuables that can fit in a Security Deposit Box

Unaccepted Collateral:

- Inventory
- Accounts Receivable
- Interest in Time Share Properties
- Recreational Vehicles
- Items that Cannot be Kept in Safe Keeping

Fees and Other Funding Costs

Application Fee:

- **\$125 application fee** split into two payments:
 - \$25 will be due at the time of application
 - The remaining \$100 will be requested after your application package is completed
 - An additional credit report fee may be requested for existing businesses

Origination Fee

- **3% origination fee** split into two payments
 - 0.5% due at the time of commitment
 - 2.5% due at the time of closing (can be financed)
- Up to \$200 annual processing fee
- **No pre-payment penalty**



Legend Deli, Charleston, SC

Post-Closing Expectations

Disbursement:

- Funds used for renovation, equipment, inventory, or third-party services will be disbursed **directly to the vendor**
- Disbursement of working capital may be tiered in stages to ensure proper utilization of funds
- Receipts or bank statements may be requested to verify funds were properly used

Portfolio Team Communication

- For the first year post-closing, clients are required to turn in **monthly financial statements**
- Following your first year, clients are required to submit **annual financial statements and tax returns**
- **Free Technical Assistance (TA)** services will be offered to you, and we ask that you engage with our team so we can help you succeed!
- If any issues arise, please contact CLIMB Fund so we can assist you



The Beacon Beauty, Charleston, SC

CLIMB Fund

Lending for Opportunity

Let's Start Climbing!

All the details you need to apply for a CLIMB Fund loan

Before You Apply

Applying for business funding takes preparation. Lenders require a lot of information from you to underwrite your loan.

Before Applying, You Need To:

- Check Your Credit
- Find Your Location
- Determine Your Project Cost
- Talk to Your Bank



Granite Arts, Charleston, SC

Credit Report

- **Prior to applying, please pull a copy of your free annual credit report** or retrieve one from your bank and review your credit history.

www.annualcreditreport.com

- CLIMB Fund does not have a minimum credit score, but we will look at your credit history to get a better understanding of you as a borrower.
- For any past or present derogatory marks, such as late payments, charge offs, or collections, we will require a **written explanation**. For any open delinquencies, we ask that you contact creditors to **pay off or set up payment plans** to begin improving your credit.
- If you have questions about your credit, reach out to our team and we will be happy to help!

intake@climbfund.org



Business Location

- If you are a brick-and-mortar business looking to move into a new location, you will need to have a Letter of Intent (LOI) for your space **before** applying.

We will use the information in your lease to:

- Underwrite your loan (rent cost)
- Structure your loan (lease term)
- Confirm renovation costs
- **DO NOT sign a finalized lease agreement before you have secured funding**
- Securing a location and getting renovation quotes can be a lengthy process, so we suggest beginning this step as early as possible.



LPC Kitchen, Summerville, SC

Funding Request & Use of Funds

CLIMB Fund needs to know exactly how much funding you need and how those funds will be used. To determine your costs, you will need to conduct research and request quotes

We will verify your allocations are accurate through estimates:

- **Renovations:** For any type of construction, we will require contractor quotes to verify the cost of the labor and materials for the renovation
- **Equipment:** We will need pricing on every piece of equipment you intend to purchase. We can accept vendor quotes, as well as links to webpages to retailer websites
- **Services:** If you plan on using funds to pay for marketing or accounting services, you will need to get a quote from a professional in the industry.
- **Debt Refinance:** If you have high-interest debt you are interested in refinancing, we will need to verify the current balance and terms of that funding using your most recent statement and your loan agreement.
- **Working Capital:** Any funds allocated to working capital will require a breakdown of how you plan to use them, such as coverage of expenses for six months, salaries, etc.

Bank Declination

**BUSINESS
LOAN**

DECLINED

- CLIMB Fund is a mission-based lender who works exclusively with clients in SC who are unable to receive traditional funding
- Bank declination communication is required for loan requests of \$20,000 or more
- Before you apply with CLIMB, speak with a commercial banker at any bank or credit union about your business and financing needs.
- You DO NOT need to formally apply for funding at a bank to meet our requirements
- This communication can be a simple email from your banker summarizing your conversation or a formal declination letter.

Other Things to Consider Before Applying

- **Start Saving!** Have funds set aside to inject into the project or to help cover your personal or business expenses as you get your business off the ground
- **Be Mindful of New Debt.** Do not take out large amounts of debt before applying, or during the loan approval process, because this could impact your DTI and approval
- **Separate Your Accounts!** Open a business bank account and only run business transactions through that account. If you are paying yourself through the business, make sure to keep track of your personal earnings



XRCYZ Times, Rock Hill, SC

Required Documentation

Personal Documents

- Any owner with 20% or more stake in the company or any individual personally guaranteeing the loan will need to provide personal documentation

Business Documents

- Legal Documents
- Project Information
- Business Financials (For Existing Business Only)

GATHER DOCUMENTATION BEFORE APPLYING



Personal Documentation

Tax Returns:

- CLIMB Fund requires the most recent three (3) years
- Tax returns should include all pages and should be an electronic copy or neatly scanned in order
- If you have not filed taxes for the most recent tax year, you will need to provide a form of income verification for the year, such as W-2s, 1099s, or your final paystub of the year

W-2s:

- We will request three years of W-2s from you **if you filed taxes jointly with your spouse**
- We can also accept 1099's, owner's draws reports, or your spouse's W-2s if you did not have any W-2 income

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2020** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)
 Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial _____ Last name _____ Your social security number _____
 If joint return, spouse's first name and middle initial _____ Last name _____ Spouse's social security number _____

Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____
 City, town, or post office. If you have a foreign address, also complete spaces below. _____ State _____ ZIP code _____
 Foreign country name _____ Foreign province/state/county _____ Foreign postal code _____
 Presidential Election Campaign: Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. You Spouse

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? Yes No

Standard Deduction **Someone can claim:** You as a dependent Your spouse as a dependent
 Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: Were born before January 2, 1956 Are blind Spouse: Was born before January 2, 1956 Is blind

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Child tax credit	Credit for other dependents

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1
2a	Tax-exempt interest	2a
2b	Taxable interest	2b
3a	Qualified dividends	3a
3b	Ordinary dividends	3b
4a	IRA distributions	4a
4b	Taxable amount	4b
5a	Pensions and annuities	5a
5b	Taxable amount	5b
6a	Social security benefits	6a
6b	Taxable amount	6b
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	7
8	Other income from Schedule 1, line 9	8
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9
10	Adjustments to income:	
a	From Schedule 1, line 22	10a
b	Charitable contributions if you take the standard deduction. See instructions	10b
c	Add lines 10a and 10b. These are your total adjustments to income	10c
11	Subtract line 10c from line 9. This is your adjusted gross income	11
12	Standard deduction or itemized deductions (from Schedule A)	12
13	Qualified business income deduction. Attach Form 8995 or Form 8995-A	13
14	Add lines 12 and 13	14
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2020)

22222	VOID <input type="checkbox"/>	a Employee's social security number 123-45-6789	For Official Use Only OMB No. 1545-0068		
b Employer identification number (EIN) 12-1234567	1 Wages, tips, other compensation 50,000.00	2 Federal income tax withheld 4,092.00			
c Employer's name, address, and ZIP code Company ABC 444 Example Road Columbus, OH 43218	3 Social security wages 50,000.00	4 Social security tax withheld 3,100.00			
	5 Medicare wages and tips 50,000.00	6 Medicare tax withheld 725.00			
	7 Social security tips	8 Allocated tips			
d Control number	9	10 Dependent care benefits			
e Employee's first name and initial Abby L	Last name Smith	Suff.	11 Nonqualified plans	12a See instructions for box 12	
f Employee's address and ZIP code 123 Sample Road Columbus, OH 43218	13 Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>	12b	
	14 Other			12c	
				12d	
15 State Employer's state ID number OH 12-3456789	16 State wages, tips, etc. 50,000.00	17 State income tax 1,040.88	18 Local wages, tips, etc. 50,000.00	19 Local income tax 1,250.00	20 Locality name Columbus

Personal Documentation

Government Identification:

- South Carolina Driver's License or non-driver ID



Resume:

- Your resume will allow CLIMB Fund to get a sense of your professional background
- Your resume should look like a document you would submit for a job application and contain your education and work experience
- Make sure the information on your resume is up-to-date with any current roles or recent certifications you may have



Personal Documentation

Pay Stub:

- We will review your most recent pay stub to verify your YTD income and pay rate.
- It is important to communicate whether you will be maintaining your employment while running the business or if you plan to leave any full-time or part-time positions you may have.
- If you do not have pay stubs, we can verify your income using your last three pay checks, all your YTD bank statements, or owner's draws reports.

Bank Statements:

- We request three months of personal bank statements to verify liquidity and income, as well as get a sense of your personal expenses. We reserve the right to require additional months of statements as needed.
- If you have multiple accounts, we will require three months of statements from each.

Avalon		PAY STUB	
EMPLOYER NAME/ADDRESS: Avalon Accounting Inc. 2031 Store Street, Victoria, BC V8T 5L9		EMPLOYEE NAME/ADDRESS: Flenderson, Toby 123 Fake Street, Victoria, BC V8T 5L9	
Payroll ID:	1001		
Cycle:	2023-08-16 - 2023-08-31		
Pay Rate:	\$100,000/yr		
Pay Date:	2023-08-31		
Accrued Vacation:	\$2,420.00		
INCOME	CURRENT HOURS	CURRENT AMOUNT	YEAR-TO-DATE AMOUNT
Regular Pay	80	4,166.67	66,666.72
Performance Bonus	-	750.00	750.00
Overtime Paid	8	600.00	600.00
GROSS PAY	88	5,516.67	68,016.72
DEDUCTIONS		CURRENT AMOUNT	YEAR-TO-DATE AMOUNT
Federal Employee EL		75.65	1,403.43
Federal Employee CPP		268.05	3,754.45
Federal Income Tax		656.52	10,504.32
Provincial Income Tax		274.82	4,397.12
Medical		22.50	360.00
Dental		12.05	192.80
Union Dues		8.62	137.92
DEDUCTION TOTALS		1,318.21	20,750.04
NET PAY		4,198.46	47,266.68

Bank of America		TemplateLAB
P.O. Box 15284 Wilmington, DE 19850		Customer service information
WILLIAM SMITH 3314 E KELTON LN UNIT 105 PHOENIX, AZ 85032-2762		Customer service 1.800.432.1000 TDD/TTY users only: 1.800.288.4408 En Español: 1.800.688.6086 bankofamerica.com Bank of America, N.A. P.O. Box 25118 Tampa, FL 33622-5118
Your BofA Core Checking		Account Number: 4570 3064 5567
for December 20, 2016 to January 19, 2017		
WILLIAM SMITH		
Account Summary		
Beginning balance on December 20, 2016		\$356.41
Deposits and other additions		3,921.69
ATM and debit card subtractions		-3,318.28
Other subtractions		-284.36
Checks		-85.00
Service fees		-12.00
Ending balance on January 19, 2017		\$578.46

Personal Documentation

Personal Financial Statement:

- List all your assets and their worth, as well as any debt against them.
 - Cash and Savings v. Credit Card Debt
 - Retirement and Investments
 - Vehicles v. Auto Loans
 - Real Estate v. Mortgage
- Certain items, such as real estate or vehicles will require additional information, such as the make/model or address and original cost
- It is important to be honest about your assets and debt on this form. Not being transparent can negatively impact your approval!

Assets:		Liabilities:	
Cash on hand	\$10,000	Accounts Payable	
Savings	\$25,000	Revolving Credit*	\$7,000
Retirement	\$75,000	Installment Accounts (Auto)	\$10,500
Notes Receivable	0	Installment Accounts (other)	\$3,000
Life Insurance (cash value)*	0	Loans on Life Ins.	0
Stocks & Bonds*	\$30,000	Mortgages on RE*	\$250,000
Real Estate*	\$300,000	Unpaid Taxes*	0
Automobiles	\$14,000	Other*	\$20,000
Other* (jewelry, art, furniture, etc.)	\$15,000	Total Liabilities	\$280,000
Total	\$469,000	Net Worth	\$189,000

Business Legal Documentation

Articles of Organization & Certificate of Existence

- These documents are provided by the SC Secretary of State when you file your business
- If you do not have a copy, you can request a copy online
- We will need all three pages of your articles in either an electronic format or neatly scanned and in order.

Employer Identification Number (EIN)

- Your EIN is the tax identification number for your business.
- You will receive your EIN from the IRS
- We prefer the EIN Confirmation Letter, but if you are an existing business, we can confirm your EIN on your business tax returns

IRS DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: [REDACTED]

Employer Identification Number:
[REDACTED]

Form: SS-4

Number of this notice: CP 575 G

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN [REDACTED]. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is CAME. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF INCORPORATION

1. The name of the proposed corporation is:

2. The initial registered office of the corporation is:

(Street Address)

(City, State, Zip Code)

And the initial registered agent at such address is:

(Name)

I hereby consent to the appointment as registered agent of the corporation

(Agent's Signature)

3. The corporation is authorized to issue shares of stock as follows. Complete "a" or "b", whichever is applicable:

a. The corporation is authorized to issue a single class of shares, the total number of shares authorized is _____

b. The corporation is authorized to issue more than one class of shares:

Class of Shares	Authorized Number of Each Class
_____	_____
_____	_____
_____	_____

The relative right, preference, and limitations of the shares of each class, and of each series within a class, are as follows:

4. The existence of the corporation shall begin as of the filing date with the Secretary of State unless a delayed date is indicated (see Section 33-1-230(b) of the 1976 South Carolina Code of Laws, as amended) of its incorporation is

The State of South Carolina



Office of Secretary of State Mark Hammond

Certificate of Existence

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

CHARLESTON LUXURY INTERIORS LLC, A Limited Liability Company duly organized under the laws of the State of South Carolina on September 14th, 2015, with a duration that is at will, has as of this date filed all reports due this office, including its most recent annual report as required by section 33-44-211, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to section 33-44-809 of the South Carolina Code, and that the company has not filed a certificate of cancellation as of the date hereof.

Given under my Hand and the Great Seal of the
State of South Carolina this 14th day of
September, 2015

Mark Hammond, Secretary of State

Business Legal Documentation

Rental Agreement / Letter of Intent

- We will use your lease terms in underwriting and will require your Letter of Intent/proposed agreement in the application stage.
- We encourage a lease that has options to renew to allow for more flexibility
- Do not sign a new lease agreement until you have secured funding!

Operating Agreement

- Only required for businesses with two or more owners
- The Operating Agreement verifies ownership percentages and outlines the operations of the company and the responsibilities of its members
- Some borrowers choose to have a lawyer assist them with their operating agreement; others use online templates

Company Name

a [STATE] Limited Liability Company

OPERATING AGREEMENT

This Limited Liability Company Agreement (this "Agreement") of [COMPANY NAME], a [STATE] limited liability company (the "Company"), is entered into as of [DATE] by and among the Company, [MEMBER NAMES] and any other Person who, after the date hereof, becomes a Member in accordance with the terms of this Agreement (collectively, the "Members").

ARTICLE I Organization of Company

Section 1.01 Name. The name of the Company is [COMPANY NAME]. Other names may be registered as fictitious names under appropriate filings. The Company is a limited liability company organized under the Limited Liability Company Act of the State of [STATE] (the "Act").

Section 1.02 Principal Office. The principal office of the Company is located at [ADDRESS], or such other location as may from time to time be determined by the Manager, as provided in Section 10.01(j). The Manager shall give prompt notice of any such change to each of the Members.

Section 1.03 Registered Office; Registered Agent. The Company's registered agent in [STATE] is: Registered Agent Name, Address. The Manager may designate other registered agents or offices at any time in this state or, if necessary, in other states.

Section 1.04 Purpose; Powers.

(a) The purpose of the Company is to engage in any lawful act or activity for which limited liability companies may be formed under the Act and to engage in any and all lawful activities necessary or incidental thereto.

(b) The Company shall have all the powers necessary or convenient to carry out the purpose[s] for which it is formed, including the powers granted by the Act.

Section 1.05 Term. The Company's term of existence will begin with the filing date of its Articles of Organization and will continue until the dissolution and termination of the Company as provided in its Articles of Organization or as otherwise indicated in this Agreement or under the Act.

Project Information

Business Plan

- We do not have a specific template we require for business plans
- Your business plan should answer any questions we may have about your business' product or service, its operations, and its strategies for success:
 - Business Summary
 - Description of Product / Service and Business Operations
 - Market Analysis, including location, target market, competition analysis, and SWOT analysis
 - Sales / Marketing Plan
 - Staffing Needs
 - Projected Growth
- If you need guidance on how to write your business plan, check out our "**Business Plan Basics**" video on our website.



Business Plan Basics



Located at CLIMBFund.org and our YouTube Channel

Project Information

Projections

- We require three years of sales projections in profit and loss statement format
- Your first year of projections should be broken down by month. The second and third year only need to show annual revenue and expenses
- We will use your projections directly in underwriting, so it is important that they are as realistic as possible
- If you need guidance on how to create your projections, check out our "Projections 101" video on our website



Projections 101



Located at CLIMBFund.org and our YouTube Channel

Project Information

Use of Funds

- Breakdown of total project costs and how you plan to allocate your funds.
- This table will show how you will be spending funds that you borrowed from CLIMB Fund, another lender, as well as any personal funds that you are investing in the business.
- If you have received funds from another lender or a family member/friend for the project, we will need the written agreement of the terms

Sources and Uses	CLIMB Fund Loan	Other Lender	Owner's Cash Investment	Total Costs
Leasehold Improvements	\$10,000			\$10,000
Equipment		\$20,000	\$ 7,500	\$27,500
Furniture & Fixtures			\$10,000	\$10,000
Working Capital	\$10,000			\$10,000
Total	\$20,000	\$20,000	\$17,500	\$57,500

Project Information

Quotes and Estimates

- Your estimates will verify the pricing you included on your use of funds, ensuring you are borrowing the correct amount of money for the project
- Estimates can be vendor quotes or links to retailer webpages

Estimates from Online Retailers

- If you are planning on purchasing many items for your business from online retailers, the best way to provide us with the information for each product is to create a table
- Make sure to include what the item is, the quantity needed, the cost, and the link to that product's webpage

Example Equipment List- Retail Store				
Item	Quantity	Price/Item	Link to Webpage	Total Cost
Shelves	6	\$175.00	www.example.com/shelves	\$1,050.00
Display tables	3	\$50.00		\$150.00
Check out counter	1	\$500.00		\$500.00
POS System	1	\$800.00		\$800.00
Mannequins	5	\$100.00		\$500.00
Jewelry Cases	2	\$250.00		\$500.00
Security System	1	\$1,000.00		\$1,000.00
Wrapping Station	1	\$750.00		\$750.00
Clothing Racks	25	\$75.00		\$1,875.00
Jewelry Display Piece Set	15	\$50.00		\$750.00
Lamps	9	\$125.00		\$1,125.00
			TOTAL COST	\$9,000.00

Business Financials (Existing Businesses Only)

Tax Returns

- We will look at up to three years of business tax returns depending on your opening date.
- Many business owners have their businesses taxes on their personal tax forms on the Schedule C
- If you filed taxes separately for your business, you will need to supply those returns to us.

Business Bank Statements

- We will request your three most recent monthly statements, but reserve the right to request more months
- We will use your business bank statements to verify liquidity and income.

SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074			
Department of the Treasury Internal Revenue Service		Go to www.irs.gov/ScheduleC for instructions and the latest information. Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships must generally file Form 1065.		2022 Attachment Sequence No. 09			
Name of proprietor Jeff Bill			Social security number (SSN)				
A Principal business or profession, including product or service (see instructions) Art			B Enter code from instructions				
C Business name. If no separate business name, leave blank.			D Employer ID number (EIN) (see instr.)				
E Business address (including suite or room no.) City, town or post office, state, and ZIP code							
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify)							
G Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
H If you started or acquired this business during 2022, check here <input type="checkbox"/>							
I Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No							
J If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No							
Part I Income							
1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1		200.49			
2	Returns and allowances	2		0.00			
3	Subtract line 2 from line 1	3		200.49			
4	Cost of goods sold (from line 42)	4		0.00			
5	Gross profit. Subtract line 4 from line 3	5		200.49			
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6		0.00			
7	Gross income. Add lines 5 and 6	7		200.49			
Part II Expenses. Enter expenses for business use of your home only on line 30.							
8	Advertising	8	16.08	18	Office expense (see instructions)	18	402.70
9	Car and truck expenses (see instructions)	9	267.43	19	Pension and profit-sharing plans	19	0.00
10	Commissions and fees	10	7.18	20	Rent or lease (see instructions):		
11	Contract labor (see instructions)	11	0.00	a	Vehicles, machinery, and equipment	20a	0.00
12	Depletion	12		b	Other business property	20b	0.00
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21	Repairs and maintenance	21	0.00
14	Employee benefit programs (other than on line 19)	14	0.00	22	Supplies (not included in Part III)	22	359.57
15	Insurance (other than health)	15	137.60	23	Taxes and licenses	23	62.00
16	Interest (see instructions):			24	Travel and meals:		
a	Mortgage (paid to banks, etc.)	16a	6.09	a	Travel	24a	208.00
b	Other	16b		b	Deductible meals (see instructions)	24b	441.65
17	Legal and professional services	17	0.00	25	Utilities	25	1,484.58
18				26	Wages (less employment credits)	26	
19				27a	Other expenses (from line 48)	27a	7,306.76
20				b	Reserved for future use	27b	
21				28	Total expenses before expenses for business use of home. Add lines 8 through 27a	28	10,699.64

Business Financials (Existing Businesses Only)

Profit & Loss Statement

- We will request two P&L Statements from you: Prior Year and YTD
- This document gives us insight into the business' historical performance.

Bob's Donut Shoppe, Inc. Income Statement For the month ended January 2020		
	\$	\$
Revenue	3,600	
Less: cost of goods sold	(1,200)	
Gross profit		2,400
Less expenses		
Depreciation expense	(500)	
Office rent expense	(750)	
Supplies expense	(3,000)	
Utilities expense	(700)	
Wages expense	(3,000)	
Interest expense	(500)	
Total expenses		(8,450)
Net profit / (Loss)		(6,050)

Balance Sheet

- We will request two Balance Sheets from you: Prior Year and YTD
- This document gives us insight into what kind of assets the company has, as well as how much equity the company has in those assets.

SAMPLE BALANCE SHEET			
ASSETS		LIABILITIES & EQUITY	
<i>Current Assets</i>		<i>Liabilities</i>	
Checking Account	5,000	<i>Current Liabilities</i>	
Savings Account	1,000	Accounts Payable	12,000
Petty Cash	500	Line of Credit	20,000
Accounts Receivable	22,000	Payroll Liabilities	7,000
Inventory	15,000	Total Current Liabilities:	39,000
Prepaid Insurance	6,000		
Total Current Assets:	49,500	<i>Noncurrent Liabilities</i>	
<i>Noncurrent Assets</i>		Long-term Debt (loan)	48,000
Accumulated Depreciation	-4,500	Total Liabilities:	87,000
Computer	7,000	<i>Equity</i>	
Building	65,000	Owner's Capital	35,000
Land	60,000	Retained Earnings	55,000
Total Noncurrent Assets:	127,000	Total Equity:	90,000
Total Assets:	177,000	Total Liabilities & Equity:	177,000

If you want to learn how to put together your financial statements or how to use the information in your financial statements, check out the "Fundamentals of Financial Statements" video on our website

Resource Partners



- If you need help gathering your application package or creating project documents, such as your business plan or projections, reach out to one of our resource partners:
 - Small Business Development Center
 - SCORE
 - Women's Business Centers
- Reach out to your Intake Coordinator if you want contacts for resource centers in your area

Application

Business Information

- Business' Legal Name
- Address
- Funding Request
- Start Date
- Website
- DUNS
- Fax Number
- EIN



For CLIMB Fund Staff use:
Application received on: _____
by _____
Loan Program: _____

English

Business Loan Application

BUSINESS INFORMATION

Business Name: _____ Loan Amount: \$ _____
(Proposed or Existing)

Business Address: _____

City: _____ County: _____, SC Zip Code: _____

Website: _____

Business Phone Number: _____ Fax Number: _____

Federal Tax ID Number (EIN): _____ Dun & Bradstreet Number: _____

Business Start Date: _____
(Month / Day / Year)

Sole Proprietor Corporation Partnership L.L.C. Other: _____

Startup Purchase Existing

Briefly describe your business:

Briefly describe the project for which you are seeking financing:

Has the business owner worked with the Small Business Development Center, SCORE, or other entrepreneurial training?

List:

How did you learn about the CLIMB Fund?

Application

Owner & Guarantor Information

- Applies to ALL owners and guarantors.
- If business has more than two owners, let the Intake Coordinator know, as our application only has space for two owners.
- ALL owners must sign the application acknowledgments

BUSINESS OWNER INFORMATION

NOTE: Please provide this information for all owners with 20% or more interest in the business. In conjunction with this loan application from _____ (BUSINESS NAME), I authorize the CLIMB Fund to verify any information contained in the loan application. Therefore, the CLIMB Fund is authorized to request any and all information on current and past accounts, both personal and corporate, for use in connection with this application.

OWNER 1

Name: _____ SSN: _____
Sex*: _____ Ethnicity*: _____ Veteran: _____ % of ownership: _____%
(Must be 20% or greater)
Home Address: _____ Own Rent \$ _____
City: _____ State: _____ County: _____ Zip Code: _____
Phone Number: _____ Email Address: _____
DOB: _____ Current Employer (if different than applicant): _____
(Month / Day / Year)
Position/Title: _____ Current Annual Wages: \$ _____
Commissions, tips, bonuses: _____ Disability benefits: _____ Veteran benefits: _____
Social Security Benefits: _____ Payments from Others (Alimony, Child Support): _____
Other Income (Describe Source): _____ Signature: _____

OWNER 2 OR GUARANTOR

Name: _____ SSN: _____
Sex*: _____ Ethnicity*: _____ Veteran: _____ % of ownership: _____%
(Must be 20% or greater)
Home Address: _____ Own Rent \$ _____
City: _____ State: _____ County: _____ Zip Code: _____
Phone Number: _____ Email Address: _____
DOB: _____ Current Employer (if different than applicant): _____
(Month / Day / Year)
Position/Title: _____ Current Annual Wages: \$ _____
Commissions, tips, bonuses: _____ Disability benefits: _____ Veteran benefits: _____
Social Security Benefits: _____ Payments from Others (Alimony, Child Support): _____
Other Income (Describe Source): _____ Signature: _____

* This information is requested by the Federal Government for certain types of loans, in order to monitor the lender's compliance with equal credit opportunity. You are not required to furnish this information, but are encouraged to do so. The law requires that a lender may neither discriminate on the basis of this information nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations this lender is required to note race/ethnicity on the basis of visual observation or surname. If you do not wish to furnish the above information, please check this box:

Application

Sources & Uses

- Should match the Use of Funds that you submit as part of the application.
- Can be broader, as there is limited space in the application.
- Be sure to include any funds that you got from another lender, as well as any funds that you are personally injecting into the project

Collateral

- List the items that you wish to put up for collateral
- Can be equipment, real estate, vehicles, or valuables that can fit into a security deposit box

SOURCE AND USE OF PROCEEDS

Please list the total sources of financing for your business project:

SOURCES AND USES	CLIMB FUND	OTHER	OWNER'S	TOTAL
	LOAN	LENDER	INVESTMENT	COSTS
<i>Total:</i>				

- 1) Provide copies of appropriate quotes/estimates/contracts to support use of proceeds.
- 2) **Quotes for equipment must be on supplier's letterhead, catalog or website.**
- 3) If supplies are to be purchased through catalogs or via the internet, provide copies of the page(s) on which items appear.
- 4) Provide detailed breakdown of needs for working capital.

COLLATERAL

If you are offering land or a building for collateral, a recent appraisal may be required.

If you are pledging machinery and equipment, furniture and fixtures, and/or other assets, please provide an itemized list that contains serial and/or identification numbers for all articles.

Also include a statement from a qualified supplier or appraiser concerning the value of the items and the useful life of each item.

COLLATERAL	DESCRIPTION AND LOCATION	PRESENT MARKET VALUE	VALUE SUPPLIED BY & DATE (Attach supporting documents)	PRESENT LOAN(S) BALANCE & LENDER
<i>Real Estate</i>				
<i>Machinery and Equipment</i>				
<i>Furniture and Fixtures</i>				
<i>Vehicle</i>				
<i>Other</i>				
<i>Total Collateral Value:</i>				

Application

Existing Business Debt

- Please list ALL debt that the business currently has outstanding.
- If there is not enough room, to list all existing business debt, please add an addendum.
- Start-ups can skip this section.

Job Creation

- Part of CLIMB Fund's mission is to increase job opportunities in South Carolina, so we will want to know how many jobs your project will create.
- If you are unsure, please estimate the number of full and part-time jobs your project will create.

BUSINESS' EXISTING DEBT

NOTE: attach additional schedules if needed.

Original Amount: \$ _____ Current Balance: \$ _____ Lender: _____
Interest _____ Maturity _____
Rate: _____ % Term: _____ Date: _____ Payment: \$ _____ Frequency: _____
(Must be 20% or greater)

Collateral Pledged: _____

Funding Date and Use of Proceeds: _____

Original Amount: \$ _____ Current Balance: \$ _____ Lender: _____
Interest _____ Maturity _____
Rate: _____ % Term: _____ Date: _____ Payment: \$ _____ Frequency: _____
(Must be 20% or greater)

Collateral Pledged: _____

Funding Date and Use of Proceeds: _____

Do you currently have an outstanding balance with the Small Business Administration (SBA) or with a SBA Intermediary Lender? YES NO

If yes, please supply detail, including the remaining balance and use of SBA proceeds on a separate sheet.

EMPLOYMENT INFORMATION

Present (or on day of opening) number of full-time employees: _____

Part-time: _____

Number of full-time employees immediately created: _____

Part-time: _____

Number of full-time permanent jobs created within the next two years: _____

Part-time: _____

Application

Acknowledgements

- The final part of the application is selecting and signing the acknowledgements.
- Please make sure to read through each acknowledge and make sure you understand our underwriting requirements.

BUSINESS ACKNOWLEDGEMENTS

- I understand that this application has been prepared solely for determining my business' eligibility for funding from the CLIMB Fund. I understand that any false statements or misrepresentations made on this application are cause for rejection of this application and prohibition of me or my business from participation in this or any other programs offered by the CLIMB Fund.
- I acknowledge that any discussions with or any information given to any CLIMB Fund employee regarding this application prior to receipt of a formal commitment letter from the CLIMB Fund committing a specific amount of funds to the project, is only for program information and may not be considered a binding commitment on the part of the CLIMB Fund to provide funds or technical assistance to the project.
- I also acknowledge that any costs incurred prior to receipt of a formal commitment letter from the CLIMB Fund committing a specific amount of funds to the project and subsequent closing is at the risk and expense of the applicant.

AUTHORIZATION

I hereby authorize the CLIMB Fund to obtain and/or furnish and release to/from all proper institutions any information pertaining to this application for assistance.

CERTIFICATION

I certify that the information provided by me on this form and all accompanying forms is true and correct.

<input type="text"/>	<input type="text"/>
Applicant's Signature and Title	(Month / Day / Year)
<input type="text"/>	<input type="text"/>
Applicant's Signature and Title	(Month / Day / Year)
<input type="text"/>	<input type="text"/>
Applicant's Signature and Title	(Month / Day / Year)

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the USDA, Director, Office of Civil Rights, Washington D.C. 20250.

Email your completed application and any additional documentation to intake@climbfund.org, or mail or hand-deliver to 2 Race St, Charleston, SC 29403.

Once we confirm your application package is complete, we will email you a link to a non-refundable program participation fee of \$125.00. NOTE: Existing businesses may require additional program participation fees.

Have questions? Email us at intake@climbfund.org.

Any supporting documentation submitted with the application will become the sole property of CLIMB Fund. CLIMB Fund abides by strict confidentiality policies and cannot distribute information to outside parties without your consent.

When to Apply

- When you have compiled all your documentation and filled out your application, you are ready to apply!
- To begin the process, please email the Intake Coordinator your application. Once your application is reviewed for eligibility and completion, you will receive instructions on how to upload documentation



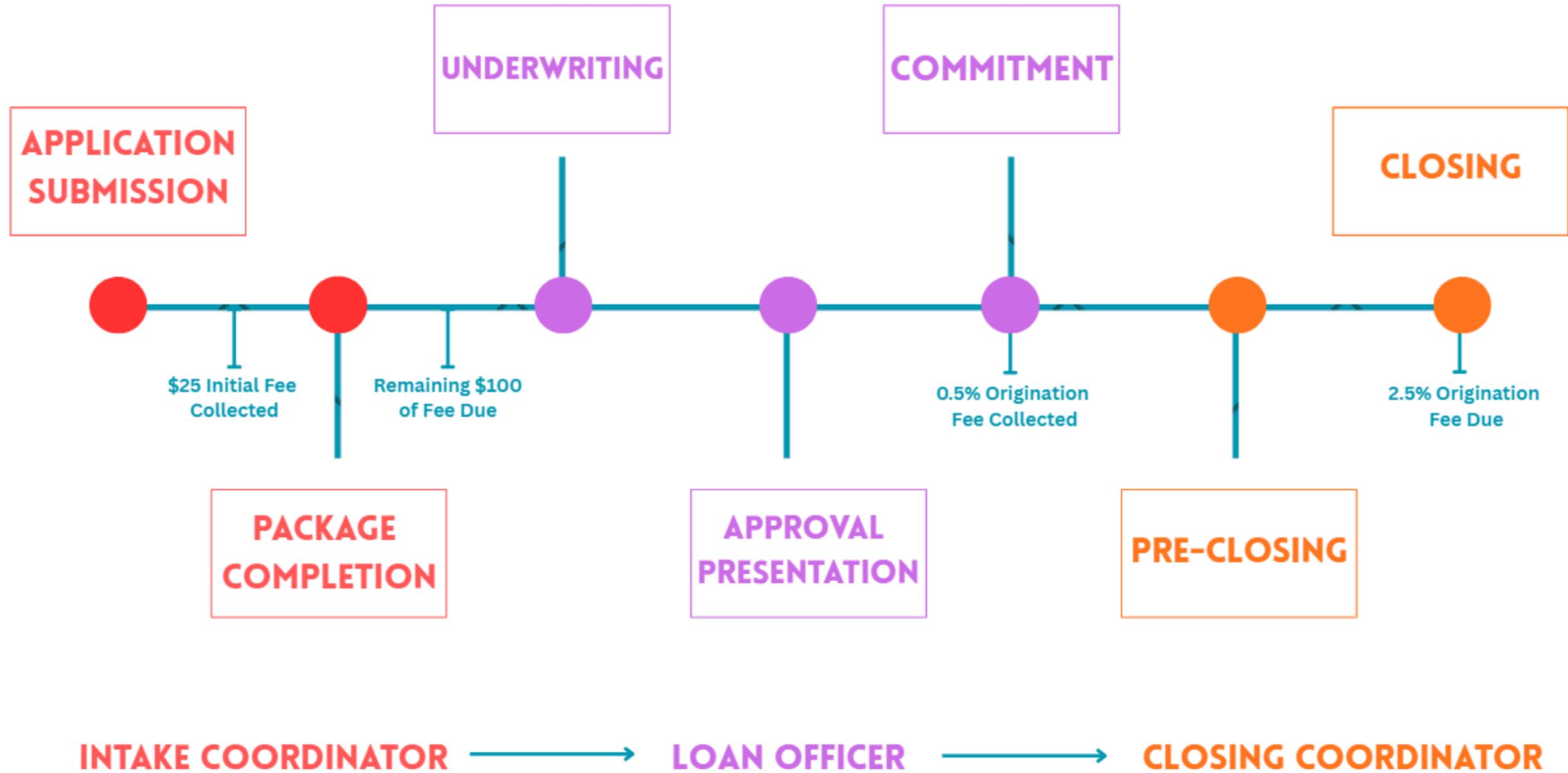
Things to Consider When Completing Your Application Package

- Documentation within your application package is time-sensitive, so plan accordingly!
- Your Intake Coordinator is here to support you! If you have questions or need assistance, reach out
- Every business and loan application is unique, so we may have questions or need additional information from you
- Your loan officer will work with the most recent information, so do not be alarmed if they ask for updated financials during underwriting



Uncle Albert's Bar-B-Q Sauce, Bennettsville, SC

Application Timeline



Closing Documentation

- **ACH Form-** client's banking information to disburse loan funds and set up automatic drafts for loan repayment
- **Landlord's Agreement Waiver-**
 - When business is homebased, we have a property owner waiver signed in the closing package
- **Proof of Business Insurance** with CLIMB Fund listed as additional insured/loss payee
- **Other insurances** depending on collateral-
 - Vehicle Insurance
 - Homeowner's Insurance
- **Updated estimates/quotes/invoices** when we are paying directly to vendors



Low Country Drama Queen, Mount Pleasant, SC

Potential Delays to Closing

Your loan's approval is dependent on the information used in underwriting being accurate. Changes to your loan amount, debt levels, collateral, or business plan after approval can cause delays and may result in having to get re-approved

- Changes to funding request
- Changes to use of funds
- Changes to business strategy or location
- Decrease in verifiable income
- Additional personal or business debt taken out prior to closing
- Undisclosed liens on collateral
- Title-related issues



High Steaks Butcher Shop, John's Island, SC

Technical Assistance Program

- CLIMB Fund provides over 2,500 hours per year of small business coaching to our borrowers.
- Full time Client Success Coordinator on staff along with a network of contracted specialists to help our clients, free of charge, with any needs that arise:
 - QuickBooks & Accounting
 - Marketing & Social Media
 - Industry-specific (Food & Bev.) experts
 - HR, IT, Real Estate, and Legal referrals
 - Small business generalists
 - Networking with other borrowers



Thomas Gorman
Client Success
Coordinator



HAMPDEN





Ra Coffee Company



Felix





WINE SHOP
OLD VILLAGE
OPEN DAILY 'TIL CLOSE



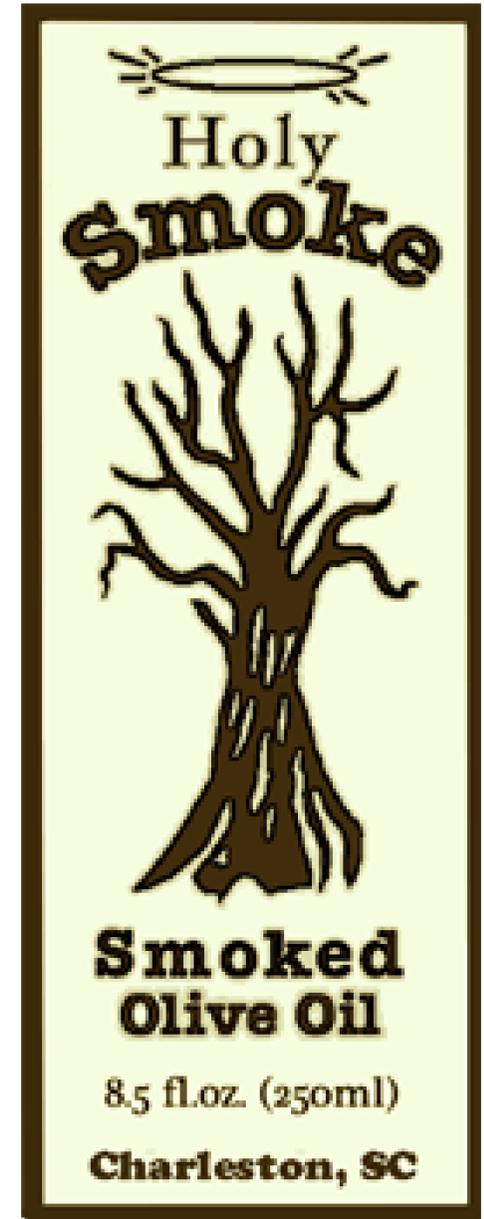
glow
NAIL BAR



CAVIAR &
BANANAS
gourmet market & cafe

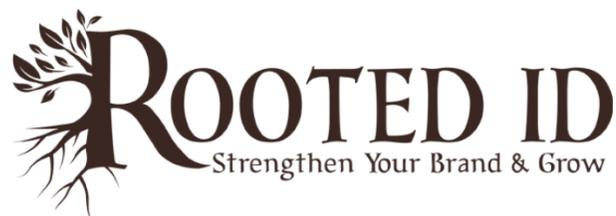


Ser•en•dip•i•ty
a salon and boutique



Marquee Limo
843-530-3257
MarqueelimoCo.com

Querri



WHITE KEY STUDIOS
MUSIC LESSONS • RECORDING STUDIO



BOXCAR BETTY'S





SWEETGRASS
Flowers

DIXON
Law Firm, LLC



LINE OF DEPARTURE
ATHLETE



CLIMB Fund

Lending for Opportunity



THANK YOU!

Intake@CLIMBFund.org