

Wellmark Venture Capital Fund

University of Northern Iowa John Pappajohn Entrepreneurial Center Initial Application for Funding

For Companies in Allamakee, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Clayton, Delaware, Dubuque, Fayette, Grundy, Howard, Tama, and Winneshiek Counties

Funding:

Typical funding will provide \$10,000 to \$100,000 in convertible debt financing. Wellmark will have the right to convert the loan to shares of stock at a future date should they choose. The term of the loan will be for a period of up to five years with an interest rate of 7 percent. Interest will be payable at the end of each five years. The loan principal will be payable at the end of the term of the note. A request may be made at the end of the fifth year to extend the loan for an additional two years.

Qualifications & Types of Projects Funded:

Applicant company must be an Iowa-based, for-profit corporation. In general, the University of Northern Iowa John Pappajohn Entrepreneurial Center's Wellmark Community Ventures Fund supports ventures engaged in information technology, educational technology, advanced manufacturing, technology-related industries, medical or surgical advancements, biotechnology, and cutting-edge computer-related products or software. Only those businesses in these fields, whose prospects for growth are reasonable, will be considered for funding. The UNI JPEC prefers companies that have already established a market for their products through previous sales or the receipt of orders. Support of personal services and limited-growth businesses, such as individual consultants, retailers, restaurants, wholesalers, small-scale recycling, franchises, subcontractors, sales representatives, and similar firms, is avoided.

Process:

- 1) Projects will be identified, investigated and recommend for funding by the John Pappajohn Entrepreneurial Centers in four locations – University of Iowa, University of Northern Iowa, Iowa State University, and North Iowa Area Community College-Mason City. All applications for funding must pass through one of the four Pappajohn Centers.
- 2) The Pappajohn Centers will present qualified applications to Equity Dynamics for review and approval of funding.
- 3) Packages submitted by the Pappajohn Centers to Equity Dynamics for approval must include:
 1. Summary Sheet
 2. Business Plan
 3. Use of Proceeds
 4. Personal Financials
 5. Credit Reference
 6. Corporate Verification
 7. Signed Convertible Note
- 4) Equity Dynamics will review the Pappajohn Center submissions and will make a final recommendation for approval to Wellmark.
- 5) Wellmark will issue a check to the company, which will be delivered through the respective Pappajohn Center.

Evaluation Criteria:

- Impact – based on such factors as number of jobs created, quality of jobs created, infrastructure created (building and equipment), and other factors that provide growth in the Iowa economy
- Management team – experience and fit
- Uniqueness of product, service, or technology
- Owner investment in project
- Leverage – ability to match Wellmark investment with private equity capital or economic development funds
- Probability of success – feasibility and market potential

Reporting Requirements:

Approved companies will provide semi-annual reports of activities and progress to the Pappajohn Center (as outlined in the convertible note signed by the applicant):

- Semi-annual submission of compiled income statement and balance sheet.
- Current cash position and projected cash flow for the next six months.
- Description of goals for the next six months.

The Pappajohn Centers will compile the required documents from all active accounts and will forward to Wellmark noting any concerns.

Initial Application For Funding

Business Name _____

Primary Contact _____

Address _____

City/State/Zip _____ Telephone _____

Email _____ URL _____

Is your company an LLC? Yes No

Is your company a corporation? Yes No

How much convertible debt financing are you requesting from Wellmark (\$10,000-\$50,000)? _____

Have you secured other sources of funds for your business? Yes No

If yes, please list: _____

Please estimate the total number of jobs to be created by your business in five years? _____

Do you have a business plan? Yes No

Do you have an executive summary? Yes No

Are you currently working with a Small Business Development Center? Yes No

If yes, which one: _____

Business Description:

Send application (and business plan or executive summary, if available) to:

John Pappajohn Entrepreneurial Center
Attn: Katherine Cota-Uyar
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Cedar Falls, Iowa 50614-0130
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