

# Wellmark Venture Capital Fund Application

## **Funding:**

Typical funding will provide \$10,000 to \$100,000 in convertible debt financing. Wellmark will have the right to convert the loan to equity 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:**

Applicant Company must be an Iowa based corporation.

## **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:
  - a. Summary Sheet
  - b. Business Plan
  - c. Use of Proceeds
  - d. Personal Financials
  - e. Credit Reference
  - f. Corporate Verification
  - g. 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:**

1. Impact – based on such factors as number of jobs created, the quality of the jobs created, infrastructure created (buildings and equipment), and other characteristics that provide growth in the local economy and Iowa economy.
2. Management team – experience and fit. Experience to include completion of a recognized business school or entrepreneurial training program such as FastTrac.
3. Uniqueness of the business
4. Barriers to entry – What will prevent competition: innovations, intellectual property, patents or trade secrets.
5. Owner investment in project
6. Leverage – ability to match Wellmark investment with debt financing, private equity financing or economic development funds.
7. The project will be in seed or start-up stage.

## **Reporting Requirements:**

Approved companies will provide semi-annual reports of activities and progress to the Pappajohn Center:

- 1) Semi-annual submission of compiled income statement and balance sheet.
- 2) Current cash position and projected cash flow for the next six months.
- 3) 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 \_\_\_\_\_

Secondary Contact \_\_\_\_\_

Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_ Telephone \_\_\_\_\_

Email \_\_\_\_\_ URL \_\_\_\_\_

Do you have a business plan?  Yes  No

Business Description:

Send application and business plan (if available) to one of the following four centers:

<p><b>University of Iowa</b>            John Pappajohn Entrepreneurial Center            Attn: David Hensley            108 Pappajohn Business Building, Suite 160            Iowa City, Iowa 52242            Phone 319.335.1022 Fax 319.353.2445            david.hensley@uiowa.edu</p>	<p><b>Iowa State University</b>            Pappajohn Center for Entrepreneurship            Attn: Michael Upah            2501 North Loop Drive, Suite 1615            Ames, Iowa 50010            Phone 515.296.6532 Fax 515.296.6714            mjupah@iastate.edu</p>
<p><b>University of Northern Iowa</b>            John Pappajohn Entrepreneurial Center            Attn: Randy Pilkington            Curris Business Building, Suite 264            Cedar Falls, Iowa 50614-0130            Phone 319.273.7350 Fax 319.273.7512            randy.pilkington@uni.edu</p>	<p><b>North Iowa Area Community College</b>            John Pappajohn Entrepreneurial Center            Attn: Tim Putnam            500 College Drive            Mason City, Iowa 50401            Phone 641.422.4111 Fax 641.422.4129            putnatim@niacc.edu</p>