

KTEC | KANSAS TECHNOLOGY ENTERPRISE CORPORATION

Kansas Angel Tax Credit Program
Company Qualification Process

Effective 2006

Kansas Angel Tax Credit Qualification

74-8134
A qualified Kansas Business must meet all of the following:
1 – Annual revenue < $5MM
2 – Business in operation < 5years
3 – Engaged in appropriate line of business (eg: not services, construction, banking, etc)

74-8135
KTEC will determine if a business meets the following:
1 – Reasonable chance of success
2 – Funding would be otherwise unavailable
3 – Ability to create measurable employment
4 – Innovative products/services
5 – Owners & founders are committed to substantial time & money
6 – Securities are qualified
7 – Commitments have been made for adequate reporting

74-8136
KTEC shall determine which businesses provide the greatest economic benefit to the State
1 – KTEC may issue whole or in-part credits
2 – KTEC may consider numerous factors, including, but not limited to:
quality & experience of management team, size of the estimated market opportunity, the risk from current or future competition, the ability to defend intellectual property, the quality and utility of the business model and the quality and reasonableness of the financial projections for the business.

Company Qualification Process - Company

Company visits www.kansasangels.com

Clicks on “Companies Seeking Investment”

Reviews FAQ and Participation Criteria

Reviews Investment Application (PDF Form)

Completes Investment Application

(All fields required)

Attaches other Required Documents

(Business plan, Certificate of Good Standing, etc.)

Submits Investment Application with Attachments

Upon successful submission of Application and Attachments, system generates an automatic confirmation email with a thank you note.

Notify company about the length of the review process. For ex: Review process takes 3-4 weeks and may vary depending on the completeness and accuracy of company information provided.

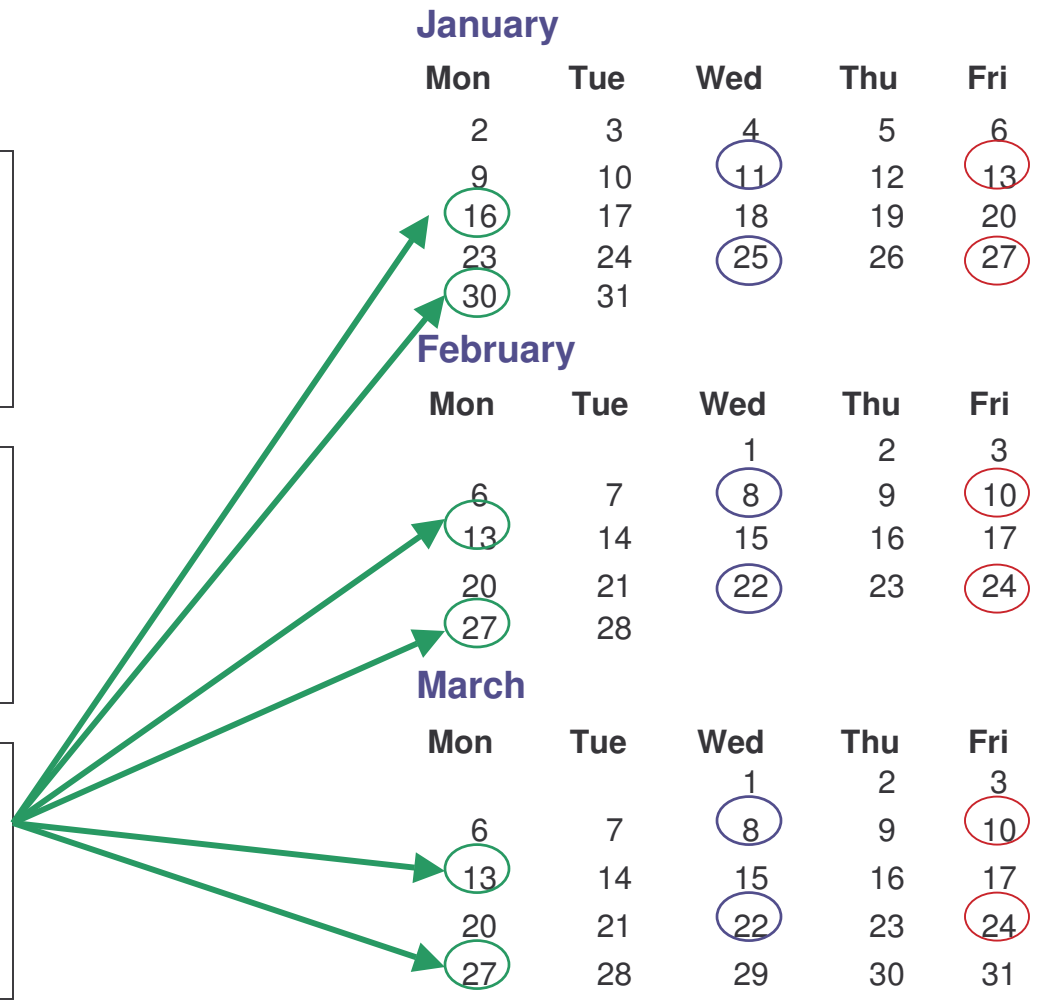
Company Qualification Process - KTEC

1st Quarter Bi-Weekly Process

KTEC
Bi-weekly Wednesday
Email committee
with recommendations &
remaining Credit available

Angel Committee
Bi-Weekly Friday
Email KTEC
To approve/decline

KTEC
Bi-Weekly Monday
Inform applicants
Post Remaining Credit
Available on the Website



After Q1 – Monthly Process

KTEC KANSAS TECHNOLOGY ENTERPRISE CORPORATION

Company Qualification Process - KTEC

To Be Sent to Angel Committee

Kansas Angel Tax Credit

Committee Approval Form

Date:

Legend: 5=excellent, 1=poor

			Company A	Company B
	Recommendation		Approve	Decline
	Tax Credit Requested		**25,000**	**30,000**
	Date Reserved		1/2/2005	
	Date Expires		1/16/2005	
Statute	**Requirement**	**Scale**		
74-8134	In business < 5yrs?	Y/N	Y	Y
74-8134	Revenue < $5MM?	Y/N	Y	Y
74-8134	Appropriate Business as defined by Statute?	Y/N	Y	Y
74-8135	Reasonable Chance of Success?	1-5	[illegible]	1
74-8135	Funding otherwise unavailable?	1-5	3	4
74-8135	Potential to create employment?	1-5	[illegible]	2
74-8135	Innovative product/service?	1-5	[illegible]	2
74-8135	Owners have invested?	1-5	5	5
74-8135	Qualified Securities?	Y/N	Y	Y
74-8135	Committed to reporting requirements?	Y/N	Y	Y
74-8136	Management Team Expertise	1-5	5	2
74-8136	Size of Market	1-5	5	2
74-8136	Risk of Competition	1-5	5	4
74-8136	Intellectual Property	1-5	4	1
74-8136	Quality of Business Model	1-5	3	3
74-8136	Quality of Financial Projections	1-5	4	1
			49	27

EXAMPLE

KTEC KANSAS TECHNOLOGY ENTERPRISE CORPORATION

Company Qualification Process - KTEC

Approved:

Applicant company receives a notification email stating “Congratulations! You’ve qualified. You will receive your Certificate within 7 business days”

KTEC forwards the Qualification Certificate with a letter outlining the reporting requirements and FAQs.

Denied:

Applicant company receives a notification for disqualification. Specific reasons for disqualification will be outlined in the email and subsequent to the company. The email and letter will include information about the appeal process.

Company Qualification Process - Company

Qualified Companies receive a ***"reserved" tax credit for 10 business days.***

Proof of Investment includes a copy of the check and the signature page from the agreement.

Companies are responsible for collecting the checks & signature pages from their investors and submit all documents prior to the deadline.

Checks & Signature pages received after the "reserved" time period are not guaranteed a tax credit.

Company Qualification Process

A company must appeal in 30 business days following the denial notification letter.

A company can re-apply only after 90 business days have passed following the denial notification letter.

No company can be certified more than 3 times.

No company may re-apply more than 2 times.