

**SOURCE OF FUNDS STATEMENT - APPLICANT’S INFORMATION SHEET**

Documenting the source of funds for the business venture is one of the more critical aspects of completing a license application. It is important that all financial information related to business start-up is completely documented and verifiable by the City of Minneapolis. Applications will not be processed without complete information about the costs and source of funds for your proposed business.

**ATTACH DOCUMENTATION FOR ALL SOURCES OF YOUR FINANCING.**

**1. Tax Records - REQUIRED**

Attach two years of completed and filed 1040 federal tax forms for each applicant and individual providing funding for the business venture OR Corporate tax records, if applicable.

**2. Costs Reporting Form – REQUIRED**

Attach the Costs Reporting Form on the next page. City staff has the right to request documentation for listed expenses/revenues as well as any unlisted expenses/revenues they feel is related to this application.

**3. Funds from Savings/Investments/Corporate Holdings – REQUIRED**

Attach copies of three months of full official bank statements that show the money being used is available in the first month’s statement that is provided.

Alcohol Establishments: Must additionally attach copies of three months of full official bank statements from twelve months prior to the first month’s bank statement that is provided.

**4. Loans from the Lending Institution**

Attach a copy of the loan closing document that clearly sets forth the amount being tendered to the borrower and a copy of any accompanying promissory note; OR

Individuals may be eligible for a loan but approval may be delayed until a license is granted. In instances such as this, a letter of loan commitment from the lending institution setting forth the amount of the loan must be submitted along with a pledge from the applicant that the loan closing documentation shall be submitted upon its completion. A license will not be issued until a copy of the loan closing document is given to the Licenses staff. The business cannot operate until this is completed and approved.

N/A

**5. Loans from Individuals -** Many times applicants obtain personal loans from relatives or other individuals. In cases such as these, the loaning individual must provide the same documentation of the source(s) of these funds as required by the license applicant. For example, if an individual receives a \$10,000 loan from their parents, the applicant must attach the source of the parent’s \$10,000 as well

as tax records.

Attach a copy of each lender’s source of funds and tax records; AND

Attach a copy of the loan closing document(s) and/or copies of any accompanying promissory note(s); AND

If the lender is not an owner of the business, applicants must provide a notarized statement regarding the terms of the loan; that the lender has no operational, financial or management interest in the business; the terms of the loan are independent of the business; and at no time in the future will the lender have a financial, operational, or management interest in the business. Any such involvement in the business will only be lawful if the lender and licensee go through the appropriate city licensing process.

N/A

**6. Landlord Construction or other Credit/Financing -** A landlord providing construction or financing will be required to show the same documentation of the source of these funds as the license applicant. If funds are taken from a business account, city staff can accept corporate account statements in lieu of the landlord’s personal accounts.

Attach a copy of the loan closing document(s) and copies of any accompanying promissory note(s); AND

Attach a statement about payment terms.

N/A

I (printed name) \_\_\_\_\_ understand that city staff have the right to request other documentation they feel is necessary to properly verify the source of funds for the business venture. Failure to document costs or the source of funds for expenses will result in the denial of this license application. Any errors detected after the issuance of the license may be grounds for license revocation. After approval by the City Council, documentation in this license file becomes public data and is open for review by anyone upon request. Public data includes, but is not limited to, financial statements, tax records and other personal records contained in the license file. Public data will not include Social Security numbers and account numbers.

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Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_



**City of Minneapolis**  
**Licenses and Consumer Services**  
 350 South 5<sup>th</sup> Street – Room 1  
 Minneapolis, MN 55415–1391  
 Phone: 612-673-3001

Fax: 612-673-3399 TTY: 612-673-2157

[www.minneapolismn.gov/business-licensing](http://www.minneapolismn.gov/business-licensing)

An applicant must report all costs and fund sources associated with pursuing this license in order to demonstrate adequate legal sources of funds. Typical expenses include asset purchases, licensing fees, insurance costs, down payments, remodeling fees and attorney’s fees, to name a few. Please use the table below to account for **all** of your specific costs and sources of funds. Attach additional sheets if necessary.

<b>APPLICANT’S NAME:</b> _____		<b>BUSINESS NAME:</b> _____	
<b>Building Expenses</b> (lease, equipment purchases, down payments, asset agreement, etc.)			
\$ _____	for _____		
\$ _____	for _____		Subtotal \$ _____
<b>Construction Expenses</b> (upgrading cooking equipment, installation, remodeling, etc.)			
\$ _____	for _____		
\$ _____	for _____		Subtotal \$ _____
<b>Professional Expenses</b> (attorney fees, architect fees, consultant fees, etc.)			
\$ _____	for _____		
\$ _____	for _____		Subtotal \$ _____
<b>Start Up Costs</b> (insurance, license fees, inventory, etc.)			
\$ _____	for _____		
\$ _____	for _____		Subtotal \$ _____
<b>Other Expenses</b> (payroll, insurance, SAC charges, other)			
\$ _____	for _____		
\$ _____	for _____		Subtotal \$ _____
<b>TOTAL COSTS for pursuing this License:</b>			<b>\$ _____</b>

Attach plans, leases, contracts, statements from vendors or credit institutions and other documentation you have to support the above figures.

**Complete and submit with your license application. Sample listed below.**

<b>APPLICANT’S NAME:</b> _____		<b>BUSINESS NAME (DBA):</b> _____	
<b>Total Cost to Start the Business (As listed above.)</b>			
	<b>Fund Source</b>	<b>Amount</b>	<b>Documentation Attached</b>
<input type="checkbox"/>			
<input type="checkbox"/>			
	TOTAL:		
<b>APPLICANT’S NAME: A. A. Smith</b>		<b>BUSINESS NAME (DBA): The Company Business</b>	
<b>Total Cost to Start the Business (As listed above.) \$ 30,000</b>			
	<b>Fund Source</b>	<b>Amount</b>	<b>Documentation Attached</b>
<input type="checkbox"/>	Savings Account Money	\$10,000	Bank Statements from Jan, Feb, Mar 2013 and 2014
<input type="checkbox"/>	Bank Loan	\$10,000	Loan Closing Documents from First Bank and Trust
<input type="checkbox"/>	Loan from Parents	\$10,000	Stock Dividend Statement 2013 and 2014; Tax Records 2013 and 2014; Promissory Note; Notarized Statement of Loan Terms.
<input type="checkbox"/>	TOTAL:	\$30,000	