

National Contract Guaranty Program Information

The National Contract Guaranty Program (NCG) Overview

The NCG Program is a comprehensive contract financing program that combines Government supply contracting with powerful business credit building know-how to create a powerful cashflow solution. The program allows new or established small businesses to drive new sales growth by selling finished goods to large creditworthy corporations or government agencies. The NCG Program allows small businesses to establish or extend NET30 day credit terms with their suppliers to finance government issued Purchase Orders or term supply contracts.

The NCG Program is NOT A LOAN PROGRAM, but provides business credit and working capital by purchasing the company's current or future government or corporate contract receivables. Dominion Capital Management can arrange to get a "pre-approval" for financing that will be effective for a maximum of 90-days or until a verifiable purchase order is received to activate the credit facility. By offering a guarantee of payment against default, new and growing companies can more easily establish or extend commercial credit lines with qualified suppliers.

The credit facilities allow small business owners to:

- 1) Establish new credit terms with suppliers
- 2) Extend existing credit terms with suppliers
- 3) Grow sales faster by offering credit terms
- 4) Use invoice cash advances to extend bonding capacity

Preferred industries include but are not limited to:

- Auto & Truck Parts Suppliers
- Paint and Building Materials
- Construction Materials
- Office Supplies
- Medical Supplies
- Industrial Chemicals
- Janitorial Supplies
- Safety Equipment and more.

The NCG Program can allow start-up companies to get "prequalified" for a credit facility up to \$100,000 or more and established companies with 3 or more years in operations may qualify for up to \$2,000,000 or more in total financing which may be a combination of commercial credit facilities, receivable financing, loans, equipment leases, equity financing, etc.

The NCG Program will only arrange to issue guarantees to suppliers for Purchase Orders or term supply contracts that are for sales to creditworthy corporations or Government agencies. (Service contracts are not eligible for the NCG program, but can be financed separately)

Key Features for Start-up State or Federal Registered Vendors

- **NO** Strong personal credit required.
- **NO** Business plan required.
- **NO** Minimum time in operation required
- **NO** Fixed monthly loan payments.
- **NO** Government agency loan eligibility restrictions.
- **NO** Difficult credit line extensions as company sales grow and
- **NO** Up Front Fees to Apply!

We finance Purchase Order contracts issued by:

- Federal Government Agencies
- State Government Agencies
- County and City Governments
- Mass Transit Authorities
- Independent School Districts
- Port Authorities

Key Benefits for Start-up State or Federal Registered Vendors

- Nationwide Credit Building Assistance available for companies with under \$1,000,000 in sales.
- 10-day availability of credit facilities upon acceptance of pre-qualification.
- Establish or increase business credit with suppliers by using the NCG Program.
- Fast cash advances within 24 – 48 hours on verified invoices.
- On a case-by-case basis, start-ups may have up to 90 days to activate the credit line with no fees or penalties.
- Outsourced receivable management with participating administrator or funder.
- Access to the online vendor training system.
- FREE business credit checks on prospective customers where applicable.

How It Works

The NCG Program will arrange to have credit guarantees issued on behalf of your company to your suppliers.

1. Suppliers must be willing to extend credit terms to your firm that is secured by our credit facility.
2. Suppliers must be able to produce or have sufficient inventory to deliver the specified product on time and meet the buyer's terms such as delivering the brand or type of product specified in the purchase order.

The NCG Program is not a loan program and therefore **does not** impose a "fixed" monthly payment obligation, but charges fees based on a percentage of sales generated from the use of our credit facilities and cash advanced from outstanding invoices. In all cases the program will require centralized payment processing that will handle verifications, accounting, invoice payments, and disbursement of funds including repayment of any funds advanced payments to suppliers, and release of funds in reserve less any applicable fees.

National Contract Guaranty Program FAQ's

- 1) **Q: Why is vendor training required for start-ups?**
A: Vendor training is required so that start-up vendors can make educated decisions about the contract financing process.
- 2) **Q: Are there any up front packaging or set up fees required?**
A: No. There are no fees charged up front to apply, however; after approval, a proposal letter disclosing the proposed credit limit, terms, conditions, packaging, and any other fees will be issued for your review and acceptance. The minimum fee for a Letter of Credit transaction is \$500 and may be higher depending on the amount and final underwriting guidelines. Other applicable fees are deducted each time a disbursement or cash advance is processed.
- 3) **Q: Will the business owner's personal credit be reviewed?**
A: Yes. All owners' personal credit scores will be reviewed by the participating credit provider or lender.
- 4) **Q: If a company has supply contracts with other than government agencies is it still eligible for funding?**
A: Yes. Contracts from creditworthy corporate clients can be financed under the program.
- 5) **Q: What is a "Credit Facility?"**
A: A credit facility is a financial instrument that can be used to guarantee payment to a supplier under specified terms and conditions to establish or extend business credit terms against eligible accounts receivable. Examples of credit facilities are; Supplier Payment Guarantees or Standby Letters of Credit.
- 6) **Q: What is the difference between P.O. Financing and Invoice Factoring, aren't they the same?**
A: No. They are closely related however. P.O. Financing is a credit transaction **before** delivery of finished goods and secured by current and future accounts receivable. Factoring is a cash transaction from the sale of current accounts receivable **after** delivery of goods or services.
- 7) **Q: Are there any other commercial finance solutions available?**
A: Yes. Equipment leasing, unsecured loans, merchant cash advances, and secured bank lines are available.
- 8) **Q: What is the monthly payment and interest rate on the funding?**
A: Because the NCG Program is not a loan program, so there are no "fixed" monthly principal and interest payments as with a loan, therefore the costs are based on a *percentage* of gross sales and adjusts based on the length of time a credit facility is in use until the outstanding invoices supporting the facility are paid.
- 9) **Q: How can cash be advanced from the credit line?**
A: Cash advances up to 90% of the verifiable invoiced amount, can be transferred via ACH wire to your business bank account typically within 24 hours once the account has been approved and opened.
- 10) **Q: What is a "Lock Box" and is it required?**
A: Yes it is REQUIRED. A "lock box" is a managed account at our payment processing center where invoice payments are received, accounted for, and disbursed you and your suppliers less any fees or repayments for cash advances due if any.
- 11) **Q: Will the government agency or corporate client be notified that the contract is financed?**
A: Yes. Because you are extending credit to your government and corporate clients, they will need to be notified by you via letter on your company letterhead that you have arranged to extend credit terms for them. The letter will introduce your receivables management company (the funder) and instructions on how and where to direct your invoice payments.
- 12) **Q: What criteria is used to qualify applicants?**
A: Qualification is determined by several considerations some of which include but are not limited to; creditworthiness of commercial customers, verifiable track record of delivering quality finished goods, accounting systems, contract restrictions, IRS liabilities, no prior bankruptcies, profitability, etc...

ENVOY Online Applicant Instructions

PLEASE READ CAREFULLY AND KEEP THIS DOCUMENT FOR YOUR RECORDS

Thank you for applying for credit prequalification via NET30 Advisors ENVOY Online for your business credit needs.

This document will serve as proof of submission for your application, and provides you with instructions regarding the next steps, rules, and procedures following the submission of your application for business credit.

YOUR NEXT STEPS

Your preliminary information will be reviewed by a Business Advisor and/or any participating credit sources and will be approved, counter-offered, or declined by the credit provider or lender. If your information passes the prequalification tests, you will receive a full application package for your completion and signatures.

After receipt of your complete application, if approved by a credit provider or lender, a written, non-binding, proposal letter ("Term Sheet") disclosing the applicable terms, conditions, rates, and fees for the approval for your review and acceptance. If you are unwilling or unable to sign and return the offer for credit or other financing; the term sheet will expire within (10) days and the application will be cancelled. The approval process will cease and no further action will be required on your part.

NOTICE TO APPLICANT(S)

Any fees paid under this program must be paid to the credit provider or lender and may be 'NON-REFUNDABLE' per the participating credit provider or lenders policies.

DISCLAIMER: Approval, counter-offer, or declined application decisions are done so at the sole discretion of the participating lenders or credit providers based on their individual credit criteria. Dominion Capital Management Corporation (DCMC) or NET30 Advisors, its employees, affiliates, partners, or advisors make any final approval or decline decisions and are therefore not responsible for the policies, procedures, or actions of any participating credit provider or lender.

Submission of Required Supporting Documents

If you are *APPROVED* as an applicant in the program, you will have (10) business days to assemble and submit applicable supporting documents as indicated on the checklist shown below. After (10) days have elapsed, your application file will be suspended for up to (5) days after which time the application will be cancelled and the file will be closed. Once a file has been closed, you may begin a new application at any time after (90) days have elapsed. *NOTE:* Participating credit providers or lenders may require additional documents other than those listed below prior to approval.

Checklist of Supporting Documents

- | | |
|--|--|
| <input type="checkbox"/> Clear, Legible Copy of All Principal's Driver's License(s) | <input type="checkbox"/> Balance Sheet / Profit-Loss (Year End and Year to Date) |
| <input type="checkbox"/> Clear, Legible Copy of Business License (if applicable) | <input type="checkbox"/> Detailed Current A/R and A/P Aging Report(s) |
| <input type="checkbox"/> Clear, Legible Copy of Articles of Incorporation, DBA, etc. | <input type="checkbox"/> Business Bank Statements (Last 3 months) |
| <input type="checkbox"/> Last (2) Years Business & Personal IRS Tax Filings | <input type="checkbox"/> Copy of End Buyers Purchase Order/Supply Contract |
| <input type="checkbox"/> All Owner's Personal Financial Statement(s) | <input type="checkbox"/> Copy of Suppliers' Quotes and/or Proforma Invoices |
| <input type="checkbox"/> Current Customer List and/or Submitted Bid Document(s) | <input type="checkbox"/> Government Vendor ID Number |

PLEASE SEND SUPPORTING DOCUMENTS TO:

By Mail or Courier:

NET30 Advisors - National Contract Guaranty Program
DCMC National Processing Center
2450 Louisiana Suite 400-424
Houston, Texas 77006

Via Email Attachment: support@ar2credit.com

Via Fax: (800) 381-9586

NATIONAL TOLL-FREE SUPPORT PHONE

(800) 381-0073 EXT. 103, 8:30a - 5:00p CST.

If you have questions please contact your business advisor directly with the information below or call the toll-free support line shown in the lower left corner.

Net30 Advisor Name: _____ AID# _____

Contact Phone(s): _____

Email Address: _____

Quick Prequalification Questionnaire

To get prequalified and find out if your firm is eligible for credit under the National Contract Guaranty Program, just complete the simple questionnaire provided below. Please make your best effort to answer the questions truthfully and honestly.

Next complete and sign the questionnaire and send it to us via fax at the toll-free fax number provided below for your convenience.

FAX COMPLETED QUESTIONNAIRE TO (800) 381-9586

- You can get prequalified for up to \$100,000 in business credit.
- After you fax your questionnaire, you may receive your prequalification via email within (3) business days.

Desired Credit Amount: \$ _____

Applicant Email Address: _____

Credit Prequalification Questionnaire			
Applicant Instructions: Please complete a separate questionnaire for each owner and print the owners name and the business name on the lines provided below before you begin the questionnaire.			
Business Owner Name: _____		Business Name: _____	
All owners must complete this questionnaire. All questions must be answered 'YES' or 'NO'. Questions left unanswered will delay processing or disqualify the application automatically without any prior notice or further action from the lender.			
1. Are you presently under indictment, on parole, or probation?	<input type="checkbox"/> YES <input type="checkbox"/> NO	11. Is your company certified as 8(a), DBE, MWDBE, HUB, SDB, or SBE?	<input type="checkbox"/> YES <input type="checkbox"/> NO
2. Have you ever been charged with or arrested for any criminal offense?	<input type="checkbox"/> YES <input type="checkbox"/> NO	12. Does your company use any internal accounting system? (i.e. QuickBooks)	<input type="checkbox"/> YES <input type="checkbox"/> NO
3. Have you ever been convicted or placed on pretrial diversion?	<input type="checkbox"/> YES <input type="checkbox"/> NO	13. Does your supplier "drop-ship" deliver orders directly to your customer?	<input type="checkbox"/> YES <input type="checkbox"/> NO
4. Are you debarred, suspended, or ineligible as a government vendor?	<input type="checkbox"/> YES <input type="checkbox"/> NO	14. Do you currently or have future plans to export your products?	<input type="checkbox"/> YES <input type="checkbox"/> NO
5. Are you or the company in any pending lawsuit or litigation?	<input type="checkbox"/> YES <input type="checkbox"/> NO	15. Are any of your suppliers located outside of the U.S.?	<input type="checkbox"/> YES <input type="checkbox"/> NO
6. Do you have any defaulted child support, student loans, or SBA loans?	<input type="checkbox"/> YES <input type="checkbox"/> NO	16. Have you ever been declined for a business loan by a bank?	<input type="checkbox"/> YES <input type="checkbox"/> NO
7. Have you ever filed for or are you currently in any form of bankruptcy?	<input type="checkbox"/> YES <input type="checkbox"/> NO	17. Do you bid on government contracts regularly? (i.e. every month, etc.)	<input type="checkbox"/> YES <input type="checkbox"/> NO
8. Are you current on ALL business and personal taxes? (i.e. IRS 941, etc.)	<input type="checkbox"/> YES <input type="checkbox"/> NO	18. Have you ever won bids that had 20% or more in profit margin?	<input type="checkbox"/> YES <input type="checkbox"/> NO
9. Are there any judgments or tax liens filed against you or the business?	<input type="checkbox"/> YES <input type="checkbox"/> NO	19. Is your average gross profit less than 20% on bids that you've won?	<input type="checkbox"/> YES <input type="checkbox"/> NO
10. Are you currently a U.S. citizen or permanent resident of the U.S.?	<input type="checkbox"/> YES <input type="checkbox"/> NO	20. Is your personal credit score (FICO Score) above 550?	<input type="checkbox"/> YES <input type="checkbox"/> NO

Business Owner Personal Information

<input type="checkbox"/> Full Legal Name _____	<input type="checkbox"/> Soc. Sec. No. ____ - ____ - ____
<input type="checkbox"/> Home Address _____	<input type="checkbox"/> Date of Birth ____ / ____ / ____
<input type="checkbox"/> City, State, Zip _____	<input type="checkbox"/> Driver's License No. _____
<input type="checkbox"/> Home Phone _____	<input type="checkbox"/> State Issued ____ / Expiration Year ____
<input type="checkbox"/> Work Phone _____	<input type="checkbox"/> Previous Address _____
<input type="checkbox"/> Cell Phone _____	<input type="checkbox"/> City, State, Zip _____

Credit Release Authorization

The undersigned applicant(s) in the foregoing application attests that all information provided by them is true and correct and that they have authority to bind the company and hereby grants authorization to release all personal identification and personal or business credit information from all financial institutions, bank and trade references, any credit reporting agencies, and taxing authorities, to RMP Capital Corporation, Dominion Capital Management Corporation, NET30 Advisors and its employees, affiliates, partners, lenders, investors, and assigns. I further agree that a photostatic or facsimile copy of this authorization shall be valid as the original.

Applicant Signature

Position

Date

If you have any further questions, please call us at: **(800) 381-0073** extension 103, from 8:30am to 5:00pm, Central time, or send email to: **support@ar2credit.com** and request that one of our advisors contact you to discuss your case. You may fax this completed form in for review.

By mail: NET30 Advisors – NCG Processing
 2450 Louisiana Suite 400-424
 Houston, Texas 77006
 Email: support@ar2credit.com

Internal Control Number				

National Contract Guaranty Program

Initial Business Training and Consulting Needs Assessment

Lender: _____ Advisor/AID#: _____
 Business: _____ Owner/Principal: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Business Phone: _____ Email: _____
 Credit Amount: (\$) _____ Product/Service: _____
 Approval Date: _____
 Funding Purpose: _____

BUSINESS TRAINING AND CONSULTING NEEDS SURVEY

Only online training selections are provided **COMPLIMENTARY**. To enroll, visit us online at www.Net30Advisors.com

List any additional *paid* instructor-led training or consulting needs in order of priority. Contact your NET30 Independent Business Advisor for business training and consulting prices, class schedules, and locations.

1 st	2 nd	3 rd	4 th	5 th
#	#	#	#	#

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|---|---|
| <ol style="list-style-type: none"> 1. Online: Entrepreneurship Assessment 2. Online: How to Write a Business Plan 3. Online: Business Plan Builder 4. Online: SBA Loan Programs 5. Online: Intro to Accounting 6. Online: Marketing 101 7. Online: Intro to Federal Contracting 8. Online: How to Get a D-U-N-S Number 9. Online: How to Get Federal Certifications 10. Online: State Certification Programs 11. Online: Government Financing Search | <ol style="list-style-type: none"> 12. Loan/Financial Packaging 13. Financial Management 14. Government Supply Contracting 15. Building Business Credit 16. Small Business Tax Services 17. Working Capital Management 18. Drop-Ship Supply Set Up 19. Non-Cash/Merchant Services 20. Other: _____ 21. Other: _____ |
|---|---|

Comments: _____

FOR INTERNAL USE ONLY: Upon funding, please fax a copy of BTAC forms to:

NET30 Advisors
Attn: BTAC Processing Center
(800) 381-9586