



Financial Resources Guide for Kentucky Businesses

If you are interested in federal government contracting, having adequate financial resources to perform on a federal contract, or the ability to obtain those resources, is the first general standard that a prospective contractor must meet to be determined responsible. (Reference [FAR 9.104-1 \(a\)](#) for more details.)

We at the Kentucky APEX Accelerator recognize the importance of this and all aspects of contractor responsibility and have developed this financial resource guide to share information about the plethora of federal, state and local resources and partners available to assist you.

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Debt Financing

Debt financing involves borrowing money that must be repaid over a specific period, typically with interest. Common sources include traditional bank loans, government guaranteed loans (like those from the U.S. Small Business Administration) and lines of credit. We also recommend checking with your local bank for any special programs they may offer. Debt financing enables the business owner to retain full ownership and control over their business.

Federally Backed Financing Options

Securing a business loan involves figuring out the right loan for your needs, comparing lenders, gathering the proper documentation and completing an application. For small businesses that cannot get traditional forms of credit, federal government guaranteed loans through the U.S. Small Business Administration (SBA) or the U.S. Department of Agriculture (USDA) may meet that need.

SBA Loan Guarantees

The SBA guarantees loans made by lending institutions to small businesses that would not otherwise be able to obtain financing. The lender works with applicants to determine the best option for the small business. For those who are eligible and cannot obtain conventional financing with reasonable rates and terms, the guarantee reduces a lender's risk of loss in the event of a default on the loan.

- SBA 504 Loan - <https://www.sba.gov/funding-programs/loans/504-loans>
- SBA 7(a) Loan - <https://www.sba.gov/funding-programs/loans/7a-loans>
- SBA Microloans - <https://www.sba.gov/funding-programs/loans/microloans>

For more information on SBA programs, visit: <https://www.sba.gov/funding-programs/loans>

USDA Rural Development Business Programs

The USDA's Rural Development Business Programs provide financial backing and technical assistance to stimulate business creation and growth. These programs work through partnerships with public and private community-based organizations and financial institutions to provide financial assistance, business development and technical assistance to rural businesses.



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Loans, loan guarantees and grants are available to individuals, businesses, cooperatives, farmers and ranchers, public bodies, non-profit corporations, Native American Tribes and private companies in rural communities.

For more information on the USDA Rural Development Business Programs, visit:

<https://www.rd.usda.gov/programs-services/business-programs>

To learn more about the USDA Rural Development Loan Guarantee, visit:

<https://www.rd.usda.gov/programs-services/business-programs/business-industry-loan-guarantees>

Community Development Financial Institutions (CDFIs)

CDFIs are mission-driven financial institutions that have been certified by the U.S. Department of the Treasury's CDFI Fund. CDFIs include credit unions, banks, loan funds and venture capital funds that serve low-income communities within both urban and rural communities, with a specific focus on those who have been underserved or ignored by traditional banks and lending institutions.

- **Catalytic Development Funding Corporation of Northern Kentucky**
<http://www.thecatalyticfund.org>
- **Community Ventures Corporation, Inc.***
<https://cvky.org/businesses/>
- **Federation of Appalachian Housing Enterprises, Inc.**
www.fahe.org
- **Kentucky Highlands Investment Corporation***
<https://www.khic.org/loan-programs/>
- **Louisville Housing Opportunities & Micro-Enterprise Community Development Loan Fund, Inc.**
<http://www.lhomeky.org>
- **Mountain Association***
<https://mtassociation.org/lending/>
- **Southeast Kentucky Economic Development Corporation (SKED)***
<https://skedcorp.com/>

* These CDFIs are also SBA Microlenders

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State-Level Support

To support the entrepreneurial ecosystem and lead the way for small business development, the Kentucky Cabinet for Economic Development brings together partners, backers, programs, opportunities and stakeholders from across the U.S. The list below represents funding programs available through the Kentucky Cabinet for Economic Development.

- **Kentucky Economic Development Finance Authority (KEDFA) Direct Loan Program**
For businesses engaged in agribusiness, tourism, industrial ventures or service industry. Retail projects are not eligible.
https://cedky.com/cdn/1740_kedfadirectloan.pdf?1
- **Kentucky Export Initiative STEP Reimbursable Grant**
<https://ced.ky.gov/International/Exports>
- **Kentucky Small Business Credit Initiative (KSBCI) 2.0**
<https://ced.ky.gov/Entrepreneurship/smallbizlending>
- **Small Business Loans**
For businesses engaged in manufacturing, agribusiness, service industry or technology.
<https://ced.ky.gov/Entrepreneurship/KEDFA>

View a full list of other Kentucky business incentives here:

https://ced.ky.gov/Locating_Expanding/kybizince



Equity Financing

Equity financing involves selling shares of the business to investors in exchange for capital. Common sources include friends and family, angel investors, venture capitalists and crowdfunding platforms. In this arrangement, strategic investors often provide valuable guidance and industry connections while bearing risk alongside the business owner. Typically, selling equity results in a dilution of the founder's ownership stake in the business, and there is a relinquishing of some control and decision-making authority.

Kentucky Cabinet for Economic Development

The Kentucky Cabinet for Economic Development works to help connect investors with qualified small businesses and startups, with the goal of helping those businesses access capital that will enable them to grow.

Kentucky's state-sponsored early-stage venture capital initiatives include the **Kentucky Investment Fund Act (KIFA)**, **Commonwealth Seed Capital (CSC)** and the **Kentucky Enterprise Fund (KEF)**, managed through the Kentucky Science and Technology Corporation's [Keyhorse Capital](#) investment initiative in partnership with the Kentucky Cabinet for Economic Development.

Kentucky Small Business Credit Initiative (KSBCI) 2.0 Investment Support

KSBCI 2.0 provides a significant funding infusion for early-stage venture capital with funds being managed by [Keyhorse Capital](#), the Kentucky Science and Technology Corporation's seed-stage venture capital firm. A portion of all SSBCI 2.0 funding is targeted toward businesses owned by Socially and Economically Disadvantaged Individuals (SEDI) and very small businesses.

For more information visit: <https://www.keyhorse.vc/ssbci>

Kentucky Angel Investors Network

This network brings new ventures and investors together across the Commonwealth via monthly online meetings, providing investors with access to early-stage deal flow on a statewide basis.

For more information, visit: <http://www.kyangels.net/entrepreneurs.html>

Other Equity Options

Angel Investor Groups

- Bluegrass Angels - <http://bluegrassangels.com/>
- Cherub Fund - <http://www.cherubfund.org/>
- Lincoln Trail Venture Group - <https://lincolntrailventure.mybloginstead.com/>
- Main Street Ventures - <https://www.mainstventures.org>

Impact Investing Groups

- Access Ventures - <https://accessventures.org/>
- Appalachian Impact Fund - <https://www.appalachianky.org/appalachian-impact-fund/>
- Shelton - <http://www.shelton.vc/>

Venture Capital

- Sixth Event - <http://www.go6ixthevent.com/>
- Advantage Capital - <http://www.advantagecap.com/>
- Chrysalis Ventures - <http://www.chrysalisventures.com/>
- Connetic Ventures - <http://www.connetic.ventures/>
- Crimson Hill - <http://www.crimsonhillllc.com/>
- Kentucky Highlands Investment - <https://www.khic.org/equity-investments/>
- Lunsford Capital - <https://lunsfordcapital.com/>
- Marshall Ventures - <http://marshallventures.com/>
- Meritus Ventures - <http://www.meritusventures.com/>
- Narwhal Ventures - <https://www.gonarwhalventures.com/>
- Poplar Ventures - <https://poplarventures.com/>
- Radicle Capital - <https://www.radiclecapital.com/>
- Render Capital - <https://render.capital/>
- River Cities Capital Funds - <http://rccf.com/>



Kentucky Area Development Districts

Area Development Districts (ADDs) originated in Kentucky in the early 1960s. Today, the strategic mission of the districts is to foster regional strategies, solutions and partnerships that improve the overall quality of life for the citizens of Kentucky.

Below is a list of ADDs that offer funding options for businesses.



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Barren River ADD - <http://www.bradd.org/>

- Counties: Allen, Barren, Butler, Edmonson, Hart, Logan, Metcalfe, Monroe, Simpson, Warren
- Revolving Loan Fund - <https://www.bradd.org/revolving-loan-fund/>

Buffalo Trace ADD - <http://www.btadd.com/>

- Counties: Bracken, Fleming, Lewis, Mason, Robertson
- Small Business Lending Services - <https://btadd.com/finance/lending-services/#bb8f2295ad672d2ab>

Cumberland Valley ADD - <http://www.cvadd.org/>

- Counties: Bell, Clay, Harlan, Jackson, Knox, Laurel, Rockcastle, Whitley
- Revolving Loan Fund - <http://www.cvadd.org/revolving-loan-fund-program.html>

FIVCO ADD - <http://www.fivco.org/>

- Counties: Boyd, Carter, Elliot, Greenup, Lawrence
- Revolving Loan Fund - <https://fivco.org/economic-development/revolving-loan-fund-program/>

Gateway ADD - <http://www.gwadd.org/>

- Counties: Bath, Menifee, Montgomery, Morgan, Rowan
- Revolving Loan Fund - <https://gwadd.org/revolving-loan-fund/>

Green River ADD - <https://gradd.com/>

- Counties: Daviess, Hancock, Henderson, McLean, Ohio, Union, Webster
- Revolving Loan Fund - <https://gradd.com/businesses/revolving-loan-program-rlf/>
- Intermediary Relending Program - <https://gradd.com/wp-content/uploads/2023/09/Program-Guidelines.pdf>

Lake Cumberland ADD - <http://www.lcadd.org/>

- Counties: Adair, Casey, Clinton, Cumberland, Green, McCreary, Pulaski, Russell, Taylor, Wayne
- Revolving Loan Fund - <https://www.lcadd.org/revolving-loan-fund/>

Lincoln Trail ADD - <http://www.ltadd.org/>

- Counties: Breckinridge, Grayson, Hardin, Larue, Marion, Meade, Nelson, Washington
- Revolving Loan Fund - https://ltadd.org/services/revolving_loan_fund/

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Northern Kentucky ADD - <http://www.nkadd.org/>

- Counties: Boone, Campbell, Carroll, Gallatin, Grant, Kenton, Owen, Pendleton
- Small Business Lending - <https://www.nkadd.org/small-business-lending/>

Pennyrile ADD - <http://www.peadd.org/>

- Counties: Caldwell, Christian, Crittenden, Hopkins, Livingston, Lyon, Muhlenberg, Todd, Trigg
- Business Lending - <https://www.peadd.org/business-lending>

Purchase ADD - <http://www.purchaseadd.org/>

- Counties: Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Marshall, McCracken
- PADD Loan Programs – <https://www.purchaseadd.org/businesses/loan-programs/>



Small Business Resource Partners

Whether launching a startup or expanding an existing venture, the ability to secure funding can be a make-or-break factor. Whether through debt or equity financing, it is important to weigh the pros and cons to determine what is optimal for your business. Fortunately, Kentucky has an abundance of small business resource partners to help you along on this journey.

Kentucky Innovation Hubs

The KY Innovation Hubs represent Kentucky's approach to building vibrant, regional innovation clusters across the state and growing the overall economy. This 120-county effort modernizes Kentucky's support for entrepreneurs and high-tech, high-growth-potential startups by leveraging each region's unique strengths.

The hubs unite universities, established companies and industry sectors, entrepreneurs, business accelerator and incubator programs and many other public and private entities to best serve business founders across the commonwealth.

Learn more about the KY Innovation Hubs here: <https://www.kyinnovation.com/>

- **Amplify Louisville** – <https://amplifylouisville.com/>
Resource Guide - https://www.kyinnovation.com/wp-content/themes/kyinnotheme/images/hubs/hubs-louisville/AMP_ResourceMap_v3_WithLinks.pdf
- **Awesome Inc** – <https://www.awesomeinc.org/>
- **UK Innovate** - <https://www.research.uky.edu/ukinnovate>
Resource Guide – <https://www.kyinnovation.com/wp-content/themes/kyinnotheme/images/hubs/hubs-central-kentucky/StartUpLexGuidebook.pdf>
- **Blue North** – <https://bluenorthky.com/>
- **Central Region Ecosystem for Arts, Technology, & Entrepreneurship (CREATE)** – <https://create-ic.com/>
- **GroWest Kentucky** – <https://sprocketpaducah.com/>
Resource Guide - <https://www.kyinnovation.com/wp-content/themes/kyinnotheme/images/hubs/hubs-growest/GroWestAssetMap.pdf>
- **SOAR** – <https://www.soar-ky.org/soar-innovation/>
Resource Guide - <https://www.kyinnovation.com/wp-content/themes/kyinnotheme/images/hubs/hubs-soar/SOARassetmap.pdf>

SBA Resource Partners

The U.S. Small Business Administration (SBA) partners with organizations across Kentucky to provide training, opportunities and funding to communities in their local area.

Learn more about the SBA Kentucky District Office here: <https://www.sba.gov/district/kentucky>

- **Kentucky Small Business Development Center (SBDC)**
<https://kentuckysbdc.com/>
- **SCORE Business Mentors**
<https://www.score.org/kentuckiana?set-location=203&consent=all>



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- **Veterans Business Outreach Center (VBOC)**
<https://pathwaylending.org/vboc/>
- **Women's Business Center of Kentucky (WBC of Kentucky)**
<https://www.wbckentucky.org/>
- **U.S. Commercial Service, Lexington / U.S. Department of Commerce / ITA Export Assistance Center**
<https://www.trade.gov/kentucky-lexington>

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