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## LOAN APPLICATION FORM (4)

### BUSINESS PLAN OVERVIEW

<b>APPLICANT INFO</b>	
Name of Company/Business	
Names of Principals/Owners	1.
	2.
	3.
	4.
	5.
<b>FOR OFFICE USE ONLY</b>	
Date Received Stamp ( <input type="checkbox"/> application must be complete)	<input type="checkbox"/> New Client: _____
	<input type="checkbox"/> Current Client: _____
	<input type="checkbox"/> Former Client: _____

## FOR YOUR INFORMATION

COMMUNITY FUTURES SUN COUNTRY is a non-profit community economic development organization. We are committed to helping people in the Sun Country region who are either operating or are planning to start their own business.

OUR MISSION IS "...to plan and initiate development of our area through the promotion and facilitation of cooperative activities dedicated to the social, environmental and economic well being of our citizens and communities."

### LOAN INFORMATION AND FEES

1. Maximum Loan of \$500,000 available for start-up, maintenance or expansion
2. Current Interest Rate of Prime+3% minimum 10%
3. Loan Application Fee of 1% of loan amount requested minimum \$50.00
4. \$10 per credit check (each applicant and each spouse) will be collected once the loan application has been accepted by Community Futures Sun Country (fees collected for credit checks will be applied to the 1% application fee)
5. No Pre-payment Penalties

### SPECIFIC CRITERIA MUST BE MET:

1. Location of the business must be in the Sun Country region.
2. Future economic viability of the business;
3. Competent management;
4. Reasonable personal financial investment and adequate security for the venture;
5. Employment creation or maintenance for predominantly local residents, and
6. Life Insurance in the amount of the loan must be in place before funds will be disbursed.

### YOUR STEPS TO GETTING A LOAN:

1. Contact Loans Department for a PRE-LOAN INTERVIEW.
2. Complete LOAN APPLICATION. Ensure you include supporting documentation as is outlined in the application. If you have any questions contact the Community Futures Sun Country Office.
3. Each applicant must complete a PERSONAL OVERVIEW.
4. If a Co-signer is needed for the Loan, have that person complete the GUARANTOR'S OVERVIEW.
5. Once the first applications are completed return them to the Community Futures Sun Country office with \$10.00 for each applicant, each spouse, and each guarantor. Example: if a married individual applies for a loan and is having their father co-sign, there will be an initial charge of \$30.
6. When the Loans Officer has completed reviewing the application, WE WILL CALL to advise you of whether or not we can proceed with the application.
7. Submit a complete and comprehensive BUSINESS PLAN to the Community Futures Sun Country office with the rest of the Loan Application Fee.
8. The Loans Officer will put together a PACKAGE TO PRESENT to the Loans Committee for their perusal.
9. An appointment will be made with yourself and the LOANS COMMITTEE to review the proposal. A decision will be made by the Loans Committee at this time.
10. If DECLINED you have the right to appeal this decision.
11. If APPROVED the appropriate documentation will be completed, signed and funds will be disbursed.

**YOUR PRIVACY:** Community Futures is committed to protecting your privacy and the confidentiality of your personal information. Our commitment to respecting and protecting the privacy and confidentiality of your personal information is addressed in our privacy policies. We adhere to these policies and the provisions of the BC *Personal Information Protection Act*. Statements are available at the office. Call 1-800-567-9911 or visit the Community Futures Sun Country website: [www.cfsun.ca](http://www.cfsun.ca)

## INTRODUCTION

The following will provide us with information to successfully write-up a proposal to present to the Loans Committee. It is to be completed together by all the principles applying for the loan.

- A. Complete the BUSINESS PLAN OVERVIEW and return it to the CFDC office with the rest of the LOAN APPLICATION FEE. The BUSINESS PLAN OVERVIEW is broken down into the following five components:
  1. Complete OVERVIEW OF THE BUSINESS including its history, company operations, management and staff and financial analysis.
  2. Listing of PRINCIPAL ITEMS of machinery, equipment and vehicles.
  3. The PROJECTED CASH FLOW Sheet, which must provide two years worth of projected Cash Flow. (See page 11 for instructions)
  4. The NOTES page is for any further Explanations or Comments in regards to this Business Plan.
  5. If applicable, an ENVIRONMENTAL CHECKLIST will also need to be completed.
- B. The Loans Officer will put together a PACKAGE TO PRESENT to the Loans Committee for their perusal.
- C. An appointment will be made with yourself and the Loans Committee to review the proposal. A DECISION will be made by the LOANS COMMITTEE at this time.
- D. If DECLINED you have the right to appeal this decision.
- E. If APPROVED the loan documents will be completed and a time set as to when they can be signed. Once all security has been registered and Life Insurance Assignment is in place funds will be disbursed.

If you have any questions or concerns while completing this form, please feel free to contact our office at (250)453-9165 or toll free at 1-800-567-9911.

## BUSINESS DESCRIPTION

**Name of Company/Business:** \_\_\_\_\_

Provide a brief history of the business describing when, where and why the business was established

Have there been any ownership changes? If yes, provide dates and names.

What industry category does this business fall into? (see [www.naics.com](http://www.naics.com), for the North American Industrial Classification System categories).

How is/will the business be organized?

- SOLE PROPRIETORSHIP  
 PARTNERSHIP  
 CORPORATION

Explain why this form of organization was chosen

Where is the Business located? Please include the Mailing Address and the Physical Address if different.

Web Site Address:

Have there been any changes in the business location over the years?

What are your company objectives?

Describe the main products or services the business will deliver.

<b>Product/Service</b>	<b>Description</b>

## OPERATIONS

**PRODUCTION**

What does/will your business "DO"?

<i><b>For Example:</b></i>	<i><b>Your Business:</b></i>
Graphics 40%	_____ %
Sign maintenance 20%	_____ %
New sign construction 20%	_____ %
Installation 10%	_____ %
Design work and layout 10%	_____ %
Total Business: 100%	Total Business 100%

**PROCESS**

What is involved in creating the products and/or services specified? Explain the process.


**PRODUCTION SYSTEMS/TOOLS/TECHNOLOGIES**

List any major or specialized equipment you will need to operate this business (tools, machinery, office equipment) indicating the typical life span of each. Indicate if you already have them or will you have to purchase them? Complete an attached inventory list of equipment showing a fair market dollar value.


**SUPPLIERS**

Who will your suppliers be, what will they supply, and what are their terms and conditions?

<i><b>Supplier Name</b></i>	<i><b>Products/Services</b></i>	<i><b>Payment and Delivery Terms</b></i>


Notes on Suppliers:


**MANAGEMENT AND STAFF**

List the key personnel and explain their role in the business, as well as the skills, qualifications and experience that they bring to the business.

<b>Name</b>	<b>Roles and Responsibilities</b>	<b>Skills, Qualifications and Experience</b>

Notes on staff and management:


**PROFESSIONAL SERVICES**

Who is your Lawyer/Solicitor?

Who is your Accountant?

Who is your Banker and what services are they providing?

Who will insure the business, and what type of coverage is required?

Will the business use consultants or other specialized professionals such as engineers?

**RULES, REGULATIONS AND LICENSES**

Explain what Municipal, Provincial, and Federal regulations pertain to your business. Consider the registrations, permits, licenses, memberships, and certifications that are required.



## MARKETING

### MARKET OVERVIEW

Give a brief description of the overall market for your products or services. How much is spent annually, is the market expanding, are there barriers for entering the market etc.?

List any major changes (events, competition or recession) or trends in the industry that could affect the business.

### TARGET MARKET

What geographic areas will the business service? Where do you specifically intend to sell your products or services?

What is the size of your customer base, or in the case of a start-up business what is the size of your projected customer base?

Who do you sell to or whom do you expect to sell to? Describe the characteristics of these people, groups or businesses. Include their buying criteria; what do they expect of the product or service, and how do they expect to obtain the product or service?


**COMPETITION**

Who is your major competition? Comment on their size and strength in the market place. List the major existing or anticipated competitor products and describe their advantages and disadvantages compared to your product.

Complete the comparative analysis as follows or attach your own form if more space is needed.

	<b>Competitor A</b>	<b>Competitor B</b>	<b>Your Product</b>
<b>Price</b>			
<b>Performance</b>			
<b>Location</b>			
<b>Years in Business</b>			
<b>Advantages</b>			
<b>Disadvantages</b>			

Notes on Competition:


Why do you think you will be able to gain the necessary share of this market? Describe your competitive advantage.


**PRICING**

Explain how you determine the price of your products and/or services.


**DISTRIBUTION**

Explain how you will get your products or services to the consumer, and payment and delivery terms. For services where the customer comes to you, explain how the customer will access your services.


## FINANCIAL ANALYSIS

**CURRENT POSITION**

What is the current financial situation of this business?

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Provide the last 3 years of Financial Statements and a list of current Account Receivables and Account Payables including 30, 60, & 90 day breakdown.

Notes to financial statements provided:

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When is the business's fiscal year-end?

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**PROJECT**

What are the costs associated with this project, and where will the money come from?

<b>Project Cost</b>		<b>Sources of Funding</b>	
Buildings and Land	\$ _____	Personal Investment	\$ _____
Furniture & Fixtures	\$ _____	Investment _____	\$ _____
Tools & Equipment	\$ _____	Loan (a) _____	\$ _____
Vehicles	\$ _____	Loan (b) _____	\$ _____
Inventory	\$ _____	Loan (c) _____	\$ _____
Operating Capital	\$ _____	Loan (d) _____	\$ _____
Other _____	\$ _____	Other _____	\$ _____
<b>Total Project Cost</b>	<b>\$ _____</b>	<b>Total Funds from Sources</b>	<b>\$ _____</b>

How will this project add any new revenues, reduce operating costs or provide new efficiencies? Explain.

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### CASH FLOW WORKSHEET INSTRUCTIONS

Attached is a "Projected Cash Flow" form. This is used to predict your business performance over the upcoming year. The cash flow should be broken down into a start-up period, twelve monthly periods and a year-end total. Once completed the cash flow should reflect the anticipated seasonality of the business' capital flows for one complete fiscal year. Because your 12-month cash flow attempts to predict future events, you will have to make assumptions in order to estimate your future revenues and expenses. With your list of assumptions you should demonstrate how you arrived at all of the figures you have shown on your cash flow.

- Line 1: Projected Cash Sales
- Line 2: Loans - if you take possession of borrowed money during the month, list this cash receipt.
- Line 3: Other funds such as shareholder loans, rent received, sale or other assets. Extraordinary income, etc. should be indicated here.
- Line 5: Sum of lines 1 - 4
- Line 6-25: Operating expenses - enter the amount of the cheques that you write for your monthly expenses. The expense items listed may not be applicable to your business. The headings should be changed so that they are appropriate for your situation. These categories should include items such as: telephone, pager and fax payments, benefits (CPP, EI, WCB), holiday pay, office supplies, etc. This is actual cash outlay for the month. For example, if you write a cheque in January for the full year's insurance, then the amount of the cheque would be put in the January column and nothing would be entered for the rest of the year.
- Line 26: Income tax payments - the amounts you expect to pay, if any.
- Line 27: Payments on mortgages/loans - indicate the monthly payment for the principal and interest on long-term loans. For example, if you borrow \$3,000 to purchase a truck and monthly payments are \$100 with the first payment due in March - then \$100 will be entered in line 19 for each month - beginning in March.
- Line 28: Payments on CFDC Loan.
- Line 30: Sum of lines 6 - 29.
- Line 31: Opening cash balance is the amount of cash at the beginning of the month.
- Line 32: Add the amount from line 5.
- Line 33: Subtract the amount from line 30.
- Line 34: Surplus or deficit for the month - cash received minus cash payments.
- Line 35: Closing cash balance is the amount of money you started out with plus (or minus) the amount of cash surplus at the month's end. The closing cash balance becomes next month's opening cash balance. A deficit cash balance indicates the minimum operating line of credit required from your bank to make planned payments.

It is important that the cash flow forecast be revised on an ongoing basis. After each month has been completed, put the actual cash flow forecast figures next to the planned figures and compare them. If the planned figures vary considerably with the actual, it may be necessary to rethink the particular aspects of the business operation.

A cash flow forecast assists in financial planning, inventory purchases and formulating credit and collection policies. It also serves as an early indicator when expenditures are getting out of line. It is one of the most important tools an owner/manager has to control their business.



