Community Futures East Interlake

Youth Micro Loan Program

SUPPORTING
OUR
YOUTH
IN BUSINESS

2023

Application
and
Guide for
Applicants

Community Futures East Interlake Inc.
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www.eastinterlake.com

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Introduction

The Community Futures East Interlake East Interlake Inc. Youth Micro Loan Program is an initiative offering business loans for students starting a new business. The program is designed to give students seeking employment the option of creating their own jobs.

The program provides loans of up to $4,000.00 per business. Students in high school, community college and university can take advantage of these loans, as long as they remain actively enrolled as full time students and are at least 15 years of age. The lending rate will be based on Bank prime rate plus 2%. Loans that are paid back on time will have an opportunity to receive a loan through Community Futures East Interlake loan program at the reduced rate of Bank Prime plus 2%, providing the new loan is disbursed within one year of their graduation date.

To be eligible for a loan, students must complete a Youth Micro Loan Application and a business plan detailing a viable business venture. Community Futures East Interlake staff are available to assist students with this process.

For further information or assistance, contact the Community Futures East Interlake East Interlake Inc. office at:

62-2nd Ave, Box 1620, Gimli, Manitoba R0C 1B0
Phone: 1-800-378-5106/204-378-5106 Email:
bcd@eastinterlake.com or gm@eastinterlake.com

Web: www.eastinterlake.com

Community Futures East Interlake East Interlake Inc. region includes: Town of Arborg, RM of Gimli, RM of Armstrong, RM of Rosser, Town of Teulon, Town of Stonewall, Town of Winnipeg Beach, Village of Riverton, Village of Dunnottar, Fisher River First Nation, Kinonjeoshtegon First Nation, RM of Bifrost, RM of Fisher, RM of Rockwood and a number of unorganized territories and northern communities.

This locally operated program is funded in part by the Government of Canada through Prairies Economic Development Canada.

Eligibility Criteria

Who can participate?

You must:

- Be a Canadian citizen or legally entitled to work in Canada,
- Be a minimum of 15 years of age,
- Applicants under 18 years of age require a co-maker,
- Be a full time student,
- Have a strong desire to be an entrepreneur,
- Live in the Community Futures East Interlake region for at least six consecutive months prior to applying,
- Have a Social Insurance Number,

Criteria:

- If the proposed business is a partnership, all partners must be eligible for the loan and all partners will be jointly and severally liable for the loan repayment,
- Only one loan may be issued to a business owned by more than one person,
- Students operating more than one business cannot apply for more than one loan during the same year,
- An applicant may be part of only one application per year.

What types of businesses qualify?

- All types of businesses that are considered to be ethical and needed in your local community will be considered,
- Business structure can either be a sole proprietorship or partnership,
- If you have business partners, each of you must complete the Personal Information section in this booklet (pages 6 – 9),
- Maximum loan amount per business is $4,000,
- Loan repayment term is one year maximum,
- Your business activities must be carried out in the east Interlake region.
- Full time, part time or seasonal business ventures can apply.

What determines consideration for loan approval?

- Your effort in planning and running your business,
- Your business plan is fully completed and demonstrates potential viability,
- You demonstrate the desire and commitment to work hard and succeed in your business venture.

Why participate in this initiative?

- To learn more about entrepreneurship,
- Gain the "real life" experience of running a business,
- Be your own boss,
- Tap into information resources,
- Provide a needed business in your community.

What can the loan be used for?

- Start-up capital
- Leasehold improvements
- Equipment (other than vehicles)
- Inventory
- Working capital associated with running your business.

What is the process?

Apply – complete the loan application and business plan included in this booklet (pages 5 to 18). We can assist you. These documents are to be submitted to Eugene Zalevich or Tammy Dziadek at the **Community Futures East Interlake Inc.** office at:

Box 1620, Gimli, Manitoba R0C 1B0
Phone: 1-800-378-5106
Email: bcd@eastinterlake.com or
gm@eastinterlake.com

- These documents will be reviewed by the Community Futures East Interlake Investment Review Committee.
- There is no application deadline.
- Applications are reviewed on an on-going basis.
- The loan will be disbursed based on invoices or receipts.
- The loan must be repaid immediately if you do not start your business within two weeks of receipt of the loan.

Mentor - Provide a name and contact information of a mentor such as an existing entrepreneur or parent / legal guardian who has agreed to provide a support role for you during the first year of operation.

Program Promotion - Although it is not mandatory for you to do so, any marketing materials that you use for advertising may state the following: *"This business has received a youth business loan from Community Futures East Interlake."* This promotion will help promote the program to other youth in the region, the concept of self employment, and that there is assistance available to make it happen.

Reporting Requirements:

- **Monthly Progress Report** – complete and submit a monthly report to the Community Futures East Interlake office (page 21 in this booklet) which includes business progress, marketing undertaken, meetings with mentor and assistance required.

- **Final Summary Report –** at the end of the loan you are required to submit a brief summary report, which includes a revenues and expenses statement submitted to Community Futures East Interlake (page 22 in this booklet).

Repayment Requirements:

- Applicants who borrow funds must ensure that they repay their loan by the agreed date.
- **Upon full payout of the loan as agreed, the borrower will be eligible for a reduced lending rate through any of Community Futures East Interlake's other Loan Programs at a rate of bank prime + 2%, providing the new loan is disbursed within one year of their graduation date.**
- Should you default on your loan after the repayment deadline, loan recovery proceedings will commence. Recovery proceedings include, but are not limited to, collection and sale of assets, and Small Claims Court.

To assist with your business planning, the Community Futures East Interlake office has available to you, at no cost, seminars, and workshops on business startup. Staff are available to provide assistance in walking you through the business planning process.

For additional business resources, visit the Community Futures East Interlake Inc. "links" on our website at www.eastinterlake.com and the Canada/Manitoba Business Service Centre business planning section at http://www.canadabusiness.mb.ca/home_page/contact_us/.

YOUTH MICRO LOAN APPLICATION

Note: Complete one loan application per business.

Name:_____Age:_____

School Attending: _____

Are You Currently Working? _____

Where?_____

Name(s):(if more than one applicant)_____Age:_____

School Attending: _____

Are You Currently Working? _____

Where?_____

Describe your business idea: _____

_____

_____

Amount of Loan requested: _____

Why do you think your business will be successful: _____

_____

PERSONAL INFORMATION

Note: A separate Information Sheet must be completed by each partner if the business will be operated as a partnership.

First Applicant – Sole Proprietor

Surname:_____Given Name(s): _____

Permanent Address: _____

_____Postal Code: _____

Phone Number:_____Cell Number:_____

Email:_____

Social Insurance Number:_____D.O.B.: _____
mm/dd/yr

Are you eligible to work in Canada: _____

Are you returning to school full time and when: _____

Name and Address of Educational Institution: _____

_____

Please provide two references, other than relatives:

Name	Address	Occupation	Phone Number

The applicant certifies that the information given in this application is accurate and complete and that he/she is enrolled or returning to school on a full time basis. The applicant also consents to Community Futures East Interlake Inc. making any inquiries they deem necessary in order to make a decision on this application.

Date:_____Signature of Applicant: _____

Date:_____Signature of Witness: _____

Statement of Understanding

I understand and acknowledge that the Community Futures East Interlake ("**CFEI**") to whom I have submitted a loan application collects uses and discloses personal information in connection with loan applicants for the following purposes:

- To determine a loan applicant's eligibility for a loan from CFEI and to process the loan application;
- To assess and update my creditworthiness on an on-going basis;
- To establish, maintain and manage CFEI's relationship with me as a client and to provide me with on-going services;
- To assist a loan applicant in applying for and arranging life insurance coverage in connection with a loan from CFEI;
- To provide me with information about products, programs, services, training resources and upcoming events that CFEI believes may interest me;
- To administer CFEIs' services, to assess the quality and quantity of CFEIs' services, to prepare and maintain adequate accounting and tax records, and to have information in such form as the CFEI may reasonably require for our business needs;
- To meet legal, regulatory and governmental requirements, (including the requirements of Western Economic Diversification Corporation Canada ("WD") as the funding source for CFEI) to detect and prevent fraud and to protect the interests of me, CFEI and WD; and
- To achieve any other purpose to which I have given my consent.

Privacy Consent

I, the undersigned, consent to the collection, use, retention and disclosure of personal information by CFEI for the purposes outlined above and on the basis outlined in CFEIs' Privacy Code. In providing my consent, I understand that CFEI may collect personal information about me from credit reporting agencies, other financial institutions and from references I have provided. **I accept this as written notice to me of CFEI's intention to obtain credit reports and a personal investigation about me in connection with my loan application and, if approved, loan from CFEI.** I further understand that CFEI may use my social insurance number as an aid to identify me with credit reporting agencies and other financial institutions and I understand that CFEI may disclose my personal information to credit reporting agencies, to WD, and to others with whom I have contacted or made applications for financial assistance or have financial relations. I consent to CFEI retaining a copy of any and all information and documents, including any business plan, connected with my loan application and, if applicable, loan from CFEI, for such time as CFEI determines is reasonably necessary. I acknowledge that I may obtain of a copy of CFEIs' Privacy Code, which sets out further information regarding the collection, use, retention and disclosure of my personal information, by contacting CFEI or by logging on to www.eastinerlake.com. In the event that I obtain a loan from CFEI, I may consent to media publicity to profile me, my business and the loan provided by CFEI, through funding by WD. This consent, once obtained shall be valid for so long as my application and, if approved, my loan from CFEI, is outstanding.

Signatures(s) Date

_____ _____

_____ _____

PARENT / GUARDIAN CONSENT

Note: If you are under 18 years of age, you must identify one Parent or Legal Guardian who consents to your participation in the Community Futures East Interlake East Interlake Inc. Youth Micro Loan Program and is prepared to Co-Make the loan. They must also supply a copy of their driver's license to CFEI for confirmation of their signature on this application.

First Applicant – Sole Proprietor

Identification of Parent / Guardian

Parent / Guardian Name: _____

Address:_____Postal Code: _____

Phone Number:_____Cell Number:_____

Driver's License No:_____**(Copy must be supplied as part of application)**

I certify that I give the Applicant permission to participate in the Community Futures East Interlake East Interlake Inc. Youth Micro Loan Program and I will Co-Make the loan with the applicant. I understand and agree that should the applicant fail to repay the loan as agreed, I will assume all responsibility for the repayment.

Date: _____

Parent / Guardian Signature: _____

Privacy Consent:

I, the undersigned, consent to the collection, use, retention and disclosure of personal information by CFEI for the purposes outlined in this application and on the basis outlined in CFEIs' Privacy Code. In providing my consent, I understand that CFEI may collect personal information about me and the applicant from credit reporting agencies, other financial institutions and from references I have provided. **I accept this as written notice to me of CFEI's intention to obtain credit reports and a personal investigation about me & the applicant in connection with this loan application and, if approved, loan from CFEI.** I further understand that CFEI may use the social insurance number provided as an aid to identify the applicant with credit reporting agencies and other financial institutions and I understand that CFEI may disclose my or the applicant's personal information to credit reporting agencies, to WD, and to others with whom I have contacted or made applications for financial assistance or have financial relations. I consent to CFEI retaining a copy of any and all information and documents, including any business plan, connected with this loan application and, if applicable, loan from CFEI, for such time as CFEI determines is reasonably necessary. I acknowledge that I may obtain a copy of CFEIs' Privacy Code, which sets out further information regarding the collection, use, retention and disclosure of my personal information, by contacting CFEI or by logging on to www.eastinterlake.com. In the event the application is approved by CFEI, I and the applicant may consent to media publicity to profile me, my business and the loan provided by CFEI, through funding by WD. This consent, once obtained shall be valid for so long as the application and, if approved, the loan from CFEI, is outstanding.

Signature Date

_____ _____

PERSONAL INFORMATION

Note: A separate Information Sheet must be completed by each partner if the business will be operated as a partnership.

Second Applicant – Partnership

Surname:_____ Given Name(s): _____

Permanent Address: _____

_____ Postal Code: _____

Phone Number:_____ Cell Number:_____

Email: _____

Social Insurance Number:_____ D.O.B.: _____
mm/dd/yr

Are you eligible to work in Canada: _____

Are you returning to school full time and when: _____

Name and Address of Educational Institution: _____

_____

Please provide two references, other than relatives:

Name	Address	Occupation	Phone Number

The applicant certifies that the information given in this application is accurate and complete and that he/she is enrolled or returning to school on a full time basis. The applicant also consents to Community Futures East Interlake Inc. making any inquiries they deem necessary in order to make a decision on this application.

Date:_____ Signature of Applicant: _____

Date:_____ Signature of Witness: _____

PARENT / GUARDIAN CONSENT

Note: If you are under 18 years of age, you must identify one Parent or Legal Guardian who consents to your participation in the Community Futures East Interlake Inc. Youth Micro Loan Program and is prepared to Co-Make the loan. They must also supply a copy of their driver's license to CFEI for confirmation of their signature on this application.

Second Applicant – Partnership

Identification of Parent / Guardian

Parent / Guardian Name: _____

Address:_____Postal Code: _____

Phone Number:_____Cell Number:_____

Driver's License No:_____**(Copy must be supplied as part of application)**

I certify that I give the Applicant permission to participate in the Community Futures East Interlake Inc. Youth Micro Loan Program and I will Co-Make the loan with the applicant. I understand and agree that should the applicant fail to repay the loan as agreed, I will assume all responsibility for the repayment.

Date: _____

Parent / Guardian Signature: _____

Privacy Consent:

I, the undersigned, consent to the collection, use, retention and disclosure of personal information by CFEI for the purposes outlined in this application and on the basis outlined in CFEIs' Privacy Code. In providing my consent, I understand that CFEI may collect personal information about me and the applicant from credit reporting agencies, other financial institutions and from references I have provided. **I accept this as written notice to me of CFEI's intention to obtain credit reports and a personal investigation about me & the applicant in connection with this loan application and, if approved, loan from CFEI.** I further understand that CFEI may use the social insurance number provided as an aid to identify me with credit reporting agencies and other financial institutions and I understand that CFEI may disclose my personal information to credit reporting agencies, to WD, and to others with whom I have contacted or made applications for financial assistance or have financial relations. I consent to CFEI retaining a copy of any and all information and documents, including any business plan, connected with this loan application and, if applicable, loan from CFEI, for such time as CFEI determines is reasonably necessary. I acknowledge that I may obtain a copy of CFEIs' Privacy Code, which sets out further information regarding the collection, use, retention and disclosure of my personal information, by contacting CFEI or by logging on to www.eastinterlake.com. In the event the application approval by CFEI, I may consent to media publicity to profile me, my business and the loan provided by CFEI, through funding by WD. This consent, once obtained shall be valid for so long as the application and, if approved, the loan from CFEI, is outstanding.

Signature Date

_____ _____

BUSINESS PLAN

As a part of your loan application you are required to complete the following business plan and cash flow forecast. Assistance in completing the documents can be obtained by calling the Community Futures East Interlake office at 1-800-378-5106 to arrange for an appointment.

Business Summary:

Describe your business in detail. Proposed business name; what products or services you are offering; and your business location.

Management and Operations:

Describe the business skills and experience you and/or your key partners bring to the business and each of your responsibilities. Describe the support services ie – accountant, mentor etc. you have in place.

Competition: Who are your competitors (list all), what are their locations and how long have they been in business?
Explain why your customers will prefer your product or service to that of your competitors. (i.e. faster service, better quality, friendly, etc.)
Customer Base: Describe your typical customer (eg. single females between the ages of 30 and 40 who make over $30,000 per year and live within a 30 minute drive.)

Where will your customers come from (target market area) and what is the total population of this trading area?
Marketing: Describe your marketing strategy (i.e. How will you reach your customers?). How will you advertise?

Regulatory Environment: What insurance, government regulations, licenses, permits and other approvals apply to your business and have they been obtained? (Check with your local municipal office to ensure compliance to zoning, building and other by-laws which may be in effect in your area. You may also have to check with your closest regional Department of Environment office to ensure compliance and health standards.)
Financial Planning: What will be your fixed monthly costs? (i.e. rent, phone, hydro, wages, etc.) Fixed costs are there even if you have no sales.
What amount of sales do you need to cover your monthly expenses to break even (not owe any money at month end)?

What is the amount of money you are bringing into the business? What is (are) the source(s) of the money? (Friends, family, personal account, etc.)
List and give values of other items (equity) that you already own and are bringing into the business (i.e. desk, automobile, equipment, tools, computer, etc.)
If your business is not as successful as you expected, and doesn't make enough money to pay off the loan, how will you repay the loan?

Determining Your Start Up Cost:
The following chart will help you determine how much money you need (your own or other resources) to start your business. Complete the following chart based on your research.

Start - Up Cost Start-up costs includes: renovations, leasehold improvements, signage, legal and accounting, installing software/computers/phones, purchase of inventory, purchase of equipment, first months operations etc.	
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
TOTAL	$

Source Of Funds Where will you get the money from?	
Cash	$
Other Equity	$
	$
Loan	$
Other	$
TOTAL	$

Cash Flow Projections

CASH RECEIPTS (money you receive, including the money you are placing into the business)	**Month 1**	**Month 2**	**Month 3**	**Month 4**	**Month 5**	**Month 6**	**TOTAL**
Community Futures East Interlake Loan							$
Estimated Sales (Revenue)							$
Other (specify):_____							$
TOTAL CASH RECEIPTS - A							$
							$
CASH DISBURSEMENTS (money paid out)							$
Purchase of Equipment							$
Advertising							$
Bank Charges							$
Professional Fees (Legal, accounting, licenses, fees)							$
Automobile							$
Utilities (hydro, phone, etc.)							$
Rentals (equipment, premises, etc.)							$
Insurance							$
Repairs / Maintenance							$
Materials / Inventory							$
Office Supplies							$
Loan Repayment (Interest + principal)							$
Wages and Benefits							$
Owner Drawings							$
TOTAL CASH DISBURSEMENTS - B							$
NET Monthly Cash - C (A-B)	$	$	$	$	$	$	$
Beginning Cash Balance (E of previous month, first month none) - D	$	$	$	$	$	$	$
Ending Cash Balance - E (C + D)	$	$	$	$	$	$	$

CASH RECEIPTS (money you receive, including the money you are placing into the business)	**Month 7**	**Month 8**	**Month 9**	**Month 10**	**Month 11**	**Month 12**	**TOTAL**
Community Futures East Interlake Loan							$
Estimated Sales (Revenue)							$
Other (specify):_____							$
TOTAL CASH RECEIPTS - A							$
							$
CASH DISBURSEMENTS (money paid out)							$
Purchase of Equipment							$
Advertising							$
Bank Charges							$
Professional Fees (Legal, accounting, licenses, fees)							$
Automobile							$
Utilities (hydro, phone, etc.)							$
Rentals (equipment, premises, etc.)							$
Insurance							$
Repairs / Maintenance							$
Materials / Inventory							$
Office Supplies							$
Loan Repayment (Interest + principal)							$
Wages and Benefits							$
Owner Drawings							$
TOTAL CASH DISBURSEMENTS - B							$
NET Monthly Cash - C (A-B)	$	$	$	$	$	$	$
Beginning Cash Balance (E of previous month) - D	$	$	$	$	$	$	$
Ending Cash Balance - E (C + D)	$	$	$	$	$	$	$

Assumptions To Your Cash Flow Projections

Explain in detail how you determined the numbers in your cash flow projections.

ITEM	DESCRIBE ITEM	CASH RECEIPTS ASSUMPTIONS (Revenue)
Revenue 1		
Revenue 2		
Revenue 3		
Other		
		CASH DISBURSEMENTS ASSUMPTIONS (Expenses)
Purchase of Equipment		
Advertising		
Bank Charges		
Professional Fees		
Automobile		
Utilities		
Rentals		
Insurance		
Repairs/ Maintenance		
Materials/ Inventory		
Office Supplies		
Loan Repayment		
Wages & Benefits		
Owner Drawings		

Other Assumptions And Calculations

1.
2.
3.

Cash Flow Projections - Explanation of Common Terms

Cash Receipts – Money you receive from all sources. Loan: The amount of money you borrow.

Estimated Sales: Estimate the total amount of money you expect to receive (Gross Revenue) when you sell your goods or services.

Other (specify): Money invested in the business from sources other than a loan.

Cash Disbursements - Money paid out.

Purchase of Equipment (Fixed assets) – Money you spend to buy equipment.

Advertising – Advertising or promotions, signs, window dressings.

Bank Charges – Charges incurred to operate your business bank account.

Professional Fees – Accounting, business name registration, or special permits or licenses, etc.

Automobile – Business portion of vehicle expenses.

Utilities – Hydro, cell phone, etc.

Rentals – Equipment, premises, etc.

Insurance – Premiums you need to pay for business and liability insurance.

Repairs/Maintenance – Costs related to new or replacement parts to keep things in working condition.

Materials/Inventory – Purchases used to produce your product.

Office supplies – money spent on office and administrative expenses such as stationary supplies, an answering machine.

Loan Repayment – principal and interest payments due.

Wages and Benefits – wages paid to employees plus Employment Insurance and Canada Pension Plan deductions.

Owner Drawings – money you take out of the business to cover essential personal expenses.

Other Common Terms

Net profit / loss – Is the profit or loss resulting after paying all expenses.

Equity – The value of everything physical that you have put into the business that is paid for (equipment, vehicle, tools and supplies).

MONTHY PROGRESS REPORT

Note: This report is to be completed at the end of each month and forwarded to the Community Futures East Interlake office by the 15th of the following month.

For the month of:_____Client Name:_____

Business Name: _____

1. How do you feel that your business is progressing? Do you have any concerns or need any help? How does it compare to your business plan projections?

_____

2. Are there any changes or improvements you have made to your business?

_____

3. What have you done in the past month to promote your business?

_____

4. Are you keeping your financial records up to date?

_____

FINAL SUMMARY REPORT

Note: This report is to be completed at the end of your loan and forwarded to the Community Futures East Interlake office.

Date_____Client Name:_____

Business Name: _____

1. What did you like about running your own business?

_____

2. Is there anything about running your own business that you did not enjoy?

_____

3. What did you learn going through the process of starting and running your own business?

_____

4. What are your future plans for the business?

_____

Attach a copy of your financial records showing your Revenues and Expenses for the duration of your business operations.

Various Items to Think About When Starting a Business

Here are a few items to check out when starting your own business. Make sure you research properly and know if they are necessary or not for your business!

- Registering the Name of the Business – Companies Office: http://www. companiesoffice.gov.mb.ca/index.html or Phone: 1-888-246-8353
- Federal Taxes: Goods and Services Tax (GST), Federal Export / Import Tax
- Provincial Taxes: Retail Sales Tax
- Necessary permits or licenses which may include but not limited to municipal (call your municipality to see what is required of you), vendor, or health for food items / services.
- Applicable insurance: Types of insurance that might be required could be business liability, theft, vehicle. Contact your insurance agent.
- Hiring employees: You will require a Business Number and will be required to make deductions from the employees and submit deductions to the government. You may also require Worker's Compensation for your employees.
- Business Number: For payroll and GST.
- Open a business bank account under your company's name.
- Set up a bookkeeping system to monitor the progress of your business.
- Negotiate any lease agreements required for premises and/or equipment.
- Establish a network of mentors: banker, accountant, lawyers, entrepreneurs.
- Establish credit terms with suppliers (credit limits, payment terms, discounts and charges).

Notes: