



Youth Micro Loan Program

Application and Guide for Applicants

**“SUPPORTING OUR YOUTH
IN BUSINESS”**

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Introduction

The Community Futures West Interlake Inc. Youth Micro Loan Program is an initiative offering a one time business loan for students starting a new business. Students seeking employment have 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 full time students and are between the ages of 15 to 21. The lending rate will be 5%. Loans that are paid out on time will receive a rebate/grant equivalent to 10% of the principal amount borrowed.

To be eligible for a loan, students must complete a micro loan application and a business plan detailing a viable business venture. Community Futures staff are available to assist students with the process.

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

TBJ Mall, Main Street, Ashern
Box 68, Ashern, Manitoba R0C 0E0
Phone: 1-888-496-8932 / 204-768-3351
Fax: 204-768-3489
Email: admin@westinterlake.com
Web: westinterlake.com

Community Futures West Interlake Inc. region includes the Rural Municipalities of Woodlands, St. Laurent, Coldwell, West Interlake and Grahamdale. This locally operated program is funded in part by the Government of Canada through Prairies Economic Development Canada (Prairies Can).



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 to a maximum of 21 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 West 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 maximum is two years,
- your business activities must be carried out in the West 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 and 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 17) we will help you. These documents are to be submitted to the **Community Futures West Interlake Inc.** office at:

Box 68, Ashern, Manitoba R0C 0E0

Phone: 1-888-496-8932

Email: admin@westinterlake.com

- These documents will be reviewed by the Community Futures West 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 West Interlake.”* This promotion will help promote the program to other youth in the region, the concept of self employment, and that there is help to make it happen.



Reporting Requirements:

- **Monthly Progress Report** – complete and submit a monthly report to the Community Futures office (page 20 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 West Interlake (page 21 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 granted back 10% of the principal amount borrowed!**
- Should you default on your loan after the repayment deadline, loan and recovery proceedings will commence. Recovery proceedings include, but is not limited to, collection and sale of assets, and Small Claims Court.

To assist with your business planning, the Community Futures office has available to you at no cost, seminars and workshops on business startup through video conferencing from September to June each year. Staff are available to provide assistance in walking you through the business planning process.

For additional business resources, visit the Community Futures West Interlake Inc. resource web page at www.westinterlake.com and the World Trade Centre Winnipeg Business InfoCentre section at www.wtcwinnipeg.com.



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 Names: _____

Permanent Address: _____

_____ Postal Code: _____

Phone Number: _____ Cell Number: _____

Email: _____

Social Insurance Number: _____ D.O.B. _____

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
---------------------------	-------------------	---------------------

1. _____

2. _____

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 West 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 West Interlake Inc. Youth Micro Loan Program and is prepared to Co-Make the loan.

First Applicant – Sole Proprietor

Identification of Parent / Guardian

Parent / Guardian Name: _____

Address: _____

_____ Postal Code: _____

Phone Number: _____ Cell Number: _____

I certify that I give the Applicant permission to participate in the Community Futures West 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: _____



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 Names: _____

Permanent Address: _____

_____ Postal Code: _____

Phone Number: _____ Cell Number: _____

Email: _____

Social Insurance Number: _____ D.O.B. _____

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
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1. _____		
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2. _____		
----------	--	--

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 West 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 West Interlake Inc. Youth Micro Loan Program and is prepared to Co-Make the loan.

Second Applicant – Partnership

Identification of Parent / Guardian

Parent / Guardian Name: _____

Address: _____

_____ Postal Code: _____

Phone Number: _____ Cell Number: _____

I certify that I give the Applicant permission to participate in the Community Futures West 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: _____



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 West Interlake office at 1-888-496-8932 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 you have in place.



Competition:

Who are your competitors (list all), 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 pertain 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?



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 you don'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 what 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 cost includes: renovations, leasehold improvements, signage, legal and accounting, installing software/computers/phones, purchase of inventory, purchase of equipment, etc.	
	\$
	\$
	\$
	\$
	\$
	\$
1 st Months Operating Expenses:	\$
	\$
	\$
	\$
	\$
TOTAL	\$

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



Cash Flow Projections

CASH RECEIPTS (money you get) <i>(Use Quarters if a year round business and Monthly if a seasonal business)</i>	QTR 1 Month 1	QTR 2 Month 2	QTR 3 Month 3	QTR 4 Month 4	Month 5	Month 6	TOTAL
Community Futures Loan							
Estimated Sales							
Other (specify)							
TOTAL CASH RECEIPTS							
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							
NET CASH (Total Cash Receipts minus Total Cash Disbursements)							
CUMMULATIVE (to date)							



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		
Cost of Goods Sold		
		CASH DISBURSEMENTS ASSUMPTIONS (Expenses)
Advertising		
Bank Charges		
Professional Fees		
Automobile		
Utilities		
Rent		
Insurance		
Maintenance		
Loan Repayments		
Wages and Benefits		
Owner Drawings		

Other Assumptions And Calculations

1.
2.
3.



Cash Flow Projections:

Explanation of Common Terms

Cash Receipts – Money you get from all sources such as:

Loan: the amount of money you need to 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 other 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.

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 protection.

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

Materials / Inventory – purchases used to produce cash receipts for product sales.



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

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 need to cover essential personal expenses. Profit you take out of the business.

Other Common Terms

Cost of Goods Sold – the cost of the items that you buy to either resell to customers or use to make products to sell to customers. They are the direct costs incurred by businesses from the process of selling goods. This item is calculated as purchases and materials + opening inventory – closing inventory.

Gross Profit – sales and service revenue minus cost of goods sold.

Net profit / loss – is the profit or loss resulting from normal business operations. The money left 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).



MONTHLY PROGRESS REPORT

Note: This report is to be completed at the end of each month and forwarded to the Community Futures 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 help? How does it compare to your business plan projections?

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

3. What have you done in the last 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 office in order to receive your 10% rebate.

Date _____ Client Name: _____

Business Name: _____

1. How did you like running your own business?

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

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

3. 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
- 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, 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 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).

