



965 East Main Street  
Meriden, CT 06450  
(888) 835-2333  
(203) 235-2333  
(203) 235-2913 Fax

## Community Economic Development Fund

### “Standard Loan”

Thank you for your interest in the Community Economic Development Fund, Inc. (CEDF). Enclosed is a package that contains a brochure about CEDF’s services, an eligibility guide and a Standard Loan Application, specifically used for loan requests over \$50,000. If you decide to apply for a loan under this amount, please contact our office for a *Micro Loan Application*.

Again, thank you for your interest in the CEDF. If you have any questions please call us at (888) 835-2333. We look forward to serving your business needs.

Sincerely,

Lending Department

# Community Economic Development Fund

## HOW TO APPLY FOR A CEDF LOAN

In an effort to assist you in putting together your application, we have enclosed a number of pieces to help guide you through the process. Please follow these simple steps:

**FIRST:** Eligibility – You **MUST** meet **ONE** of the following two criteria in order to be eligible.

1. Be located in an eligible community (*see list below*)
- OR**
2. Have a family income below \$85,700.

Ansonia	Derby	Hampton	New Haven*	Seymour	Torrington
Ashford	East Hampton	Hartford*	New London*	Southington*	Vernon
Beacon Falls	East Hartford*	Killingly	Norwalk*	Sprague	Voluntown
Bloomfield	East Haven	Lisbon	Norwich*	Stafford	Waterbury*
Bridgeport*	East Windsor	Manchester	Plainfield	Stamford*	West Haven
Bristol*	Enfield	Meriden*	Plainville	Sterling	Winchester*
Canterbury	Griswold	Middletown*	Plymouth	Stratford	Windham*
Chaplin	Groton*	Naugatuck	Portland	Thomaston	Windsor
Colchester	Hamden*	New Britain*	Putnam	Thompson	Wolcott

\*Target Investment Communities (TIC): Connecticut Municipalities, which an Urban Enterprise Zone or Enterprise Corridor Zone within corporate boundaries. New communities are being added. Call to check.

**SECOND:** Complete and sign the appropriate loan application and return to CEDF.

### **CEDF has moved, please mail information to:**

**965 East Main Street  
Meriden, CT 06450-6006**

**THIRD:** In addition to the application, CEDF needs other supporting documentation in order to process your loan request. Therefore, in this packet you will also find a checklist of back up information that you will need to submit. If we need additional information, we will work with you as the loan request is processed.

*If you are just beginning to put together a business plan and need help, please contact us for a list of resources or see the links page on our website: [www.cedf.com](http://www.cedf.com)*

**NOTICE:** This program may be partially funded by the U.S. Small Business Administration (SBA). SBA's funding is not an endorsement of any products, opinions or services. All SBA funded programs are extended to the public on a nondiscriminatory basis.

**Don't struggle along on your own!**

**CEDF is here to help you. Please feel free to call us at (888) 835-2333.**

Thank you for interest in CEDF's services. We look forward to working with you.

# Community Economic Development Fund

## CHECKLIST FOR STANDARD LOAN APPLICATION

- A completed CEDF Standard Loan Application Form (*form enclosed*).
- A completed Personal Financial Statement (*signed and dated*)
- If this is a business less than three years old, include a business plan, a pro-forma opening balance sheet, a three-year income statement and one-year cash flow. (*Visit: [www.CTCIC.org](http://www.CTCIC.org) for information on business plans.*)
- Current personal tax return on all business owners.
- **If an Existing Business:** 3 years of business tax returns. If a sole proprietorship: Include a year-end balance sheet.
- **If an Existing Business:** Year-to-date Sales and Expenses
- If you believe that you have negative or derogatory credit, please provide a letter of explanation.
- The Community Impact Statement (*Explain how your business benefits the community*)
- Resumes of all owners of the business or a management statement.

### **If Applicable, please also include the following:**

- Copy of lease agreement of the business location.
- Purchase and Sales agreement if real estate or business is being purchased under this project.
- List of all equipment to be purchased along with written estimates of costs.
- Estimates and contracts for all renovations (*if applicable*).
- List of contacts/clients commitments. Attach any available contracts.
- Current accounts receivable and accounts payable

***NOTE: Other information may be required as deemed necessary by the CEDF.***

# Community Economic Development Fund

## THE COMMUNITY IMPACT STATEMENT

CEDF is here to help improve the economic well being of the communities we serve. We ask our borrowers to join us in this mission. Please write a short paragraph on how you and your business will contribute towards improving the economic environment of your neighborhood. Below are a few examples:

1. **Job Creation**

Will the loan in question create jobs and provide job development for unemployed, underemployed, or persons receiving public assistance?

2. **Community Participation.**

Have community-based groups (community development corporations, resident groups, etc.) participated in some aspect of the design of the proposal? Does it arise from or meet needs identified in any sort of community planning process?

3. **Minority and Women-owned Business Promotion.**

Is the applicant's business either a minority or women-owned enterprise?

4. **Improvement of Physical Condition of Community.**

Does the applicant propose to use CEDF funds to improve the physical appearance of the community by rehabilitating a blighted structure, etc.?

5. **Uniqueness.**

Will the applicant's business provide an important community service that is currently unavailable in the area?

6. **Leveraging Opportunities.**

Will the financing for a portion of this project come from sources other than CEDF?

7. **Environmental Impact.**

Will the project result in the clean-up of an existing environmental hazard in the community or otherwise contribute to local environmental improvements?

8. **Increase of Economic Base in Neighborhoods.**

Will the marketing strategy draw new dollars from outside into the community to increase the economic base of the neighborhood?

***The Community Impact Statement should address any of these areas that are relevant to the business and the community. If appropriate the Statement should include a section on job creation.***

# COMMUNITY ECONOMIC DEVELOPMENT FUND

## STANDARD BUSINESS CREDIT APPLICATION

Amount Requested: \$ \_\_\_\_\_ Purpose of Credit: \_\_\_\_\_

Collateral Description: \_\_\_\_\_

### COMPANY INFORMATION

C-Corp     Sub S-Corp     LLC     General Partnership     Sole Proprietorship     Other: \_\_\_\_\_

Legally Registered Company Name \_\_\_\_\_ Trade or DBA Name: \_\_\_\_\_

Primary Contact: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_ City/State/ ZIP Code: \_\_\_\_\_

Telephone: ( ) \_\_\_\_\_ E-mail: \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

Cell Phone: ( ) \_\_\_\_\_ Website: \_\_\_\_\_

Nature of Business: \_\_\_\_\_ Date Established: \_\_\_\_\_

Federal Tax ID: \_\_\_\_\_ Primary Bank Name: \_\_\_\_\_ Average Business Checking Balance: \$ \_\_\_\_\_

Gross Annual Sales: \$ \_\_\_\_\_ Total Business Debt: \$ \_\_\_\_\_ Total Monthly Business Debt Payments: \$ \_\_\_\_\_

Number of Current Employees: Full-time \_\_\_\_\_ Part-time \_\_\_\_\_  
 Number of Employees Projected within 1 year: Full-time \_\_\_\_\_ Part-time \_\_\_\_\_

### MANAGEMENT OF BUSINESS

Name	Position	Years with Company	% of Ownership	Guarantor
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No

### SOURCE & USE OF FUNDS

Source of Financing	Amount	Use of Financing	Amount
Owner Contribution	\$ _____	Equipment	\$ _____
CEDF	\$ _____	Inventory	\$ _____
Other -	\$ _____	Leasehold Improvements	\$ _____
Other -	\$ _____	Working Capital	\$ _____
Other -	\$ _____	Other	\$ _____

### BUSINESS FINANCIAL DATA As of \_\_\_/\_\_\_/\_\_\_

ASSETS (WHAT YOU OWN)	LIABILITIES (WHAT YOU OWE)	INCOME/EXPENSES Fiscal Year _____
Cash	Accounts Payable	Total Sales
Accounts Receivable	Notes Payable	Cost of Goods Sold
Inventory	Credit Card Debt	Owner's Draw
Machinery/Equipment	Automotive Loans	Interest Expense
Automobiles	Mortgages	Depreciation
Real Estate	Other	Other Expenses
<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Net Income</b>
NET WORTH (Total Assets less Total Liabilities) \$ _____		

### EXISTING BUSINESS DEBT & FINANCIAL INFORMATION (Please indicate if debt is an SBA loan)

Debtors Name	Amount of Debt	Monthly Payment	Interest Rate	Collateral	Maturity Date	Payment Current?
	\$ _____	\$ _____				
	\$ _____	\$ _____				
	\$ _____	\$ _____				
	\$ _____	\$ _____				
	\$ _____	\$ _____				

**OWNER/PRINCIPAL OFFICER INFORMATION**  
(For each individual with 20% or more ownership of Company)

Mr.  Mrs.  Ms.  
 Name: \_\_\_\_\_  
 Ownership % \_\_\_\_\_ Owner Since: \_\_\_\_\_  
 Owner's Title: \_\_\_\_\_  
 Home Address: \_\_\_\_\_  
 City \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Home Phone: ( ) \_\_\_\_\_ DOB: \_\_\_\_/\_\_\_\_/\_\_\_\_  
 Social Security Number: \_\_\_\_\_  
 Primary Bank Name: \_\_\_\_\_ Balance: \$ \_\_\_\_\_  
 Monthly  Mortgage  Rent \$ \_\_\_\_\_  
 Have you ever been declared bankrupt?  Yes\*  No  
 Do you have any outstanding liens, suits or judgments?  Yes\*  No  
 Do others own more than 20% of the business:  Yes\*  No  
 Have you ever been indicted for a felony?  Yes\*  No  
 Are you currently on parole?  Yes\*  No  
 \*If yes, explain:

Mr.  Mrs.  Ms.  
 Name: \_\_\_\_\_  
 Ownership % \_\_\_\_\_ Owner Since: \_\_\_\_\_  
 Owner's Title: \_\_\_\_\_  
 Home Address: \_\_\_\_\_  
 City \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Home Phone: ( ) \_\_\_\_\_ DOB: \_\_\_\_/\_\_\_\_/\_\_\_\_  
 Social Security Number: \_\_\_\_\_  
 Primary Bank Name: \_\_\_\_\_ Balance: \$ \_\_\_\_\_  
 Monthly  Mortgage  Rent \$ \_\_\_\_\_  
 Have you ever been declared bankrupt?  Yes\*  No  
 Do you have any outstanding liens, suits or judgments?  Yes\*  No  
 Do others own more than 20% of the business:  Yes\*  No  
 Have you ever been indicted for a felony?  Yes\*  No  
 Are you currently on parole?  Yes\*  No  
 \*If yes, explain:

**\*\*Please list all outstanding taxes – city, state, federal and list all municipal charges\*\***  
**\*\*\*If you have had credit problems, please attach a statement of explanation\*\*\***

**IF EXISTING BUSINESS YOU MUST INCLUDE THE FOLLOWING INFORMATION WITH THIS APPLICATION:**

1. Three years' business tax returns with a year-to-date profit & loss statement, and 12-month financial statement projections.
2. Current personal income tax return and personal financial statement from each business owner;
3. Brief statement (1-2 paragraphs each on the following:
  - a. History and operation(s) of the company;
  - b. Background/key duties of owners and key managers;
4. A detailed breakdown for the proposed use of funds;
5. Copy of lease (if applicable);
6. Community Impact Statement (see below).

**IF STARTING A NEW BUSINESS OR THE BUSINESS HAS OPERATED FOR LESS THAN 3 YEARS PLEASE INCLUDE THE FOLLOWING:**

1. Copy of business plan with three-year financial statement projections. Business plan should include history and operations of company, background/key duties of owners and key managers, marketing strategies, analysis of competition;
2. Current personal income tax return and personal financial statement from each business owner;
3. A detailed breakdown for the proposed use of funds;
4. A year-to-date profit & loss statement (if applicable);
5. Copy of lease (if applicable);
6. Community Impact Statement (see below)

**THE COMMUNITY IMPACT STATEMENT**

CEDF was created to help improve the economic well being of the communities we serve. We ask our borrowers to join CEDF in this mission and make a commitment to the local community. Please provide a statement discussing the actions that you are willing to take. This statement will be a binding part of your Loan Agreement.

THE UNDERSIGNED CERTIFIES THAT THE INFORMATION PROVIDED HAS BEEN CARFULLY READ AND IS TRUE, CORRECT AND COMPLETE. THE UNDERSIGNED FURTHER REPRESENTS THAT THERE ARE NOT ENCUBRANCES AGAINST ANY OF THE FOREGOING PROPERTY EXCEPT THOSE SPECIFICALLY DISCLOSED ABOVE. CEDF IS AUTHORIZED TO VERIFY THE INFORMATION DISCLOSED AND TO PERFORM A CREDIT INVESTIGATION. THE UNDERSIGNED AUTHORIZES CEDF, IF CREDIT GRANTED, TO GIVE CREDIT INFORMATION TO ANY CREDIT REPORTING SERVICE AND TO ADVISE OTHERS ABOUT ITS CREDIT EXPERIENCE WITH YOU. IT IS ALSO AGREED THAT THE FINANCIAL STATEMENT SHALL REMAIN THE PROPERTY OF CEDF WHETHER OR NOT CREDIT IS GRANTED.

*The information contained in this application is true to the best of my knowledge, and is being given to CEDF for consideration of credit by CEDF.*

By its \_\_\_\_\_ (Signature) \_\_\_\_\_ Date \_\_\_\_\_

By its \_\_\_\_\_ (Signature) \_\_\_\_\_ Date \_\_\_\_\_

*You are advised that the Community Economic Development Fund (the "CEDF") may constitute a "public agency for purposes of the Connecticut Freedom of Information Act (the "Act"). All commercial or financial information provided to CEDF in connection with a loan application or an outstanding loan shall be considered "given in conference" as provided in the Act. CEDF will use reasonable efforts to protect any such information given in confidence from public disclosure.*

**If you need help with any part of the loan process, please feel free to contact CEDF at (203) 235-2333 or toll-free (888) 835-2333.**

**Return completed application to: CEDF, 965 East Main Street, Meriden, Connecticut 06450**

NOTICE: This program may be partially funded by the U.S. Small Business Administration (SBA). SBA's funding is not an endorsement of any products, opinions or services. All SBA funded programs are extended to the public on a non-discriminatory basis.

**The CEDF Institute is now offering classes to business owners. To inquire please call or visit our website [www.cedf.com](http://www.cedf.com)**

Standard Loan

# COMMUNITY ECONOMIC DEVELOPMENT FUND

## PERSONAL FINANCIAL STATEMENT

Please complete all information, sign and date form.

### Applicant

NAME: LAST, FIRST & MIDDLE (Please print)		BIRTH DATE:	SOCIAL SECURITY #		US CITIZEN <input type="checkbox"/> YES <input type="checkbox"/> NO	HOME PHONE # ( ) CELL PHONE# ( )	
CURRENT ADDRESS	CITY/STATE		ZIP CODE	<input type="checkbox"/> OWN <input type="checkbox"/> RENT <input type="checkbox"/> OTHER	YEARS	RENT/MTG PAYMENTS \$	AVG. MTLY UTILITIES \$
PREVIOUS ADDRESS	CITY/STATE		ZIP CODE	<input type="checkbox"/> OWN <input type="checkbox"/> RENT <input type="checkbox"/> OTHER	YEARS	RENT/MTG PAYMENTS \$	AVG. MTLY UTILITIES \$
EMPLOYER	ADDRESS			CITY/STATE	ZIP CODE	WORK PHONE # ( )	
POSITION	DEPARTMENT UNIT	LENGTH OF EMPLOYMENT		TYPE OF BUSINESS			ANNUAL SALARY \$
PREVIOUS EMPLOYER, ADDRESS & POSITION					LENGTH OF EMPLOYMENT	ANNUAL SALARY \$	

### Joint Applicant

NAME: LAST, FIRST & MIDDLE (Please print)		BIRTH DATE:	SOCIAL SECURITY #		US CITIZEN <input type="checkbox"/> YES <input type="checkbox"/> NO	HOME PHONE # ( ) CELL PHONE# ( )	
CURRENT ADDRESS	CITY/STATE		ZIP CODE	<input type="checkbox"/> OWN <input type="checkbox"/> RENT <input type="checkbox"/> OTHER	YEARS	RENT/MTG PAYMENTS \$	AVG. MTLY UTILITIES \$
PREVIOUS ADDRESS	CITY/STATE		ZIP CODE	<input type="checkbox"/> OWN <input type="checkbox"/> RENT <input type="checkbox"/> OTHER	YEARS	RENT/MTG PAYMENTS \$	AVG. MTLY UTILITIES \$
EMPLOYER	ADDRESS			CITY/STATE	ZIP CODE	WORK PHONE # ( )	
POSITION	DEPARTMENT UNIT	LENGTH OF EMPLOYMENT Yrs. Mos.		TYPE OF BUSINESS			ANNUAL SALARY \$
PREVIOUS EMPLOYER, ADDRESS & POSITION					LENGTH OF EMPLOYMENT Yrs. Mos.	ANNUAL SALARY \$	

ASSETS		LIABILITIES AND NET WORTH	
CASH ON HAND AND IN BANKS (A)	\$	NOTES DUE BANKS (H)	\$
MARKETABLE SECURITIES (B)	\$	NOTES DUE OTHERS	\$
ACCTS & NOTES RECEIVABLE (C)	\$	REAL ESTATE MORTGAGES-RESIDENCE	\$
REAL ESTATE (D)	\$	REAL ESTATE MORTGAGES-OTHERS	\$
PARTIAL INTEREST/REAL ESTATE (E)	\$	HOME EQUITY LOAN	\$
CLOSELY-HELD BUSINESS	\$	AUTO LOANS	\$
AUTOMOBILES	\$	CREDIT CARD BLANCE	\$
CASH VALUE-LIFE INSURANCE (F)	\$	TAXES DUE	\$
OTHER ASSETS (ITEMIZE)	\$	OTHER DEBTS	\$
\$		<b>TOTAL LIABILITIES</b>	<b>\$</b>
\$		<b>NET WORTH</b>	<b>\$</b>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>TOTAL LIABILITIES &amp; NETWORTH</b>	<b>\$</b>

ANNUAL INCOME		ANNUAL EXPENSES	
SALARY (Applicant and Joint applicant)	\$	INCOME TAXES (STATE AND FEDERAL)	\$
COMMISSIONS	\$	RENT/MORTGAGE	\$
DIVIDENDS/INTEREST	\$	AUTO LOAN	\$
ACCTS & NOTES RECEIVABLES	\$	CREDIT CARD	\$
RENTAL INCOME	\$	LIVING EXPENSES	\$
OTHER INCOME	\$	OTHER EXPENSES	\$
<b>TOTAL</b>	<b>\$</b>	<b>TOTAL</b>	<b>\$</b>

**(A) BANKING INFORMATION**

TYPE OF ACCOUNT	BANK/S&L/CREDIT UNION	ADDRESS/CITY/STATE	ACCOUNT NUMBER	BALANCE
				\$
				\$
				\$
TOTAL				\$

(Use separate sheet if necessary)

**(B) MARKETABLE SECURITIES/MONEY MARKET FUNDS**

DESCRIPTION	REGISTERED OWNER	NO. OF SHARES	COST	SOURCE OF VALUATION	MARKET VALUE
			\$		\$
			\$		\$
TOTAL					\$

(Use separate sheet if necessary)

**(C) ACCOUNTS AND NOTES RECEIVABLES**

BORROWER & ADDRESS	WHEN DUE	ORIGINAL DATE	ORIGINAL AMOUNT	COLLATERAL	BALANCE DUE
			\$		\$
			\$		\$
			\$		\$
TOTAL					\$

(Use separate sheet if necessary)

**(D) REAL ESTATE - WHOLLY OWNED**

DESCRIPTION & LOCATION	DATE ACQ'D	TITLE IN NAME OF	PURCHASE PRICE	MORTGAGE HOLDER	MARKET VALUE	MONTHLY PAYMENT	MORTGAGE BALANCE
			\$		\$	\$	\$
			\$		\$	\$	\$
			\$		\$	\$	\$
			\$		\$	\$	\$
TOTAL					\$	\$	\$

(Use separate sheet if necessary)

**(E) REAL ESTATE - PARTIALLY OWNED**

DESCRIPTION & LOCATION	% OF OWNERSHIP	TOTAL COST	YEAR OF PURCHASE	TOTAL MARKET VALUE	TOTAL MORTGAGE	YOUR VALUE OF EQUITY
		\$		\$	\$	\$
		\$		\$	\$	\$
		\$		\$	\$	\$
TOTAL						\$

(Use separate sheet if necessary)

**(F) LIFE INSURANCE**

NAME OF COMPANY	FACE AMOUNT	BENEFICIARY	LOANS	CASH SURRENDER VALUE BALANCE DUE
	\$		\$	\$
	\$		\$	\$
TOTAL				\$

(Use separate sheet if necessary)

THE UNDESIGNED CERTIFIES THAT THE INFORMATION PROVIDED HAS BEEN CAREFULLY READ AND IS TRUE, CORRECT AND COMPLETE. THE UNDERSIGNED FURTHER REPRESENTS THAT THERE ARE NOT ENCUBRANCES AGAINST ANY OF THE FOREGOING PROEPRTY EXCEPT THOSE SPECIFICALLY DISCLOSED ABOVE. CEDFC IS AUTHORIZED TO VERIFY THE INFORMATION DISCLOSED AND TO PERFORM A CREDIT INVESTIGATION. THE UNDERSIGNED AUTHORIZES CEDF, IF CREDIT GRANTED, TO GIVE CREDIT INFORMATION TO ANY CREDIT REPORTING SERVICE AND TO ADVISE OTHERS ABOUT ITS CREDIT EXPERIENCE WITH YOU. IT IS ALSO AGREED THAT THE FINANCIAL STATEMENT SHALL REMAIN THE PROPERTY OF CEDFC WHETHER OR NOT CREDIT IS GRANTED.

APPLICANT'S SIGNATURE		DATE SIGNED
JOINT APPLICANT'S SIGNATURE		DATE SIGNED

# INVESTING IN YOUR FUTURE

## BUSINESS PLAN OUTLINE

965 East Main Street, Meriden, CT 06450-6006  
TEL. (203) 235-2333 FAX (203) 235-2913

TOLL FREE (888) 835-2333

[www.cedf.com](http://www.cedf.com)

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## WRITING YOUR BUSINESS PLAN

Writing a business plan is necessary for anyone going into business. It's the best way to help you understand your business and your needs from the business. It will help you plan, run, and re-act to the day-to-day decisions that you'll have to make.

### **Q. Why do I have to write a business plan?**

A. Your business plan is a road map for YOU to tell you how your business will perform for you. Can the business support you? Do you have enough money to operate or grow? (Believe it or not, according to the Government, most small businesses that file for bankruptcy are profitable at the time of the filing. They've just run out of money [cash] to allow the business to keep on running). YOU need this plan to help you become successful. Plus, if you must borrow money to establish or grow your business, any lender or investor will require you to have one.

### **Q. It looks complicated and scary. Is it?**

A. Looks can be deceiving. Does it take some work? Yes. Will it take a lot of thought about YOUR business? Yes, that's what it's supposed to do. It's much easier and better to work a plan out now instead of waiting for a crisis, when it may be too late. YOU CAN DO IT, part by part, a piece at a time. When you finish the parts, you'll be surprised at what you've accomplished, how easily it came together, and how much more you'll understand the business that's going to be YOUR partner.

### **Q. Does my business plan have to be neat and clean?**

A. Absolutely. This plan is a reflection on you, your idea, and your vision. If you are dealing with the lending community, this is the only way they have to judge your business. If you can't sell your idea to them, then how are you going to sell it to your customers? Always put your best foot forward. Making your business plan look crisp and snappy is a way to look successful and enlist those who can fund your business and its' growth.

### **Q. Is there someone who can help me do this?**

A. There are many sources to help you do this. Call Marie Dumas at Community Economic Development Fund (CEDF) at (203) 235-2333 ext. 2001 or e-mail her at [m.dumas@cedf.com](mailto:m.dumas@cedf.com). She can help you or direct you to someone who can. It's free and it can make your dream of owning your own business a reality. You CAN do it.

## THE BUSINESS PLAN OUTLINE

Using this outline, you can prepare your business plan, step-by-step, piece-by-piece. **Remember**, our goal here is to look at each part as a small step in completing your business plan. Don't let it overwhelm you. If you are having trouble with one part, just move to another. The parts are generally small; so you can make progress by completing each small section, soon you will be seeing it all start to pull together.

- ❑ Cover Sheet
- ❑ Statement of Purpose
- ❑ Executive Summary
- ❑ Table of Contents

### **The Business:**

- ❑ Description of the Business
- ❑ Location and hours of the Business
- ❑ Products and Services
- ❑ Marketing Analysis/Competition
- ❑ Marketing Plan
- ❑ Management
- ❑ Personnel

### **Financial data:**

- ❑ Sources and Uses of Funds
- ❑ Pro-Forma Income Projections (profit and loss statement)
- ❑ Pro-Forma Cash Flow Projections
- ❑ Break-even Analysis
- ❑ Financial Assumptions

**Supporting Documents-** Resumes, tax returns, personal financial statements, letters of intent or reference, copies of leases, contracts, or other legal documents, and anything else that is relevant to the plan.

These are the parts of the business plan. Each piece is different. You'll find that it's like painting a portrait. As each piece is finished, you'll see a clearer picture of your business. Let's get started on a plan aimed at getting financing for you're business and go through the different parts.

## WRITING IT UP

The following are the explanations of the different sections of the Business Plan. These are guidelines that can help you. If you get stuck on one area, then stop and move to another area and come back later. If you really get stuck, then seek help. Once you start, you'll see your business start to take shape on paper.

### **COVER SHEET**

This is simply a sheet of paper with the name and address of the business, the name of the owner(s), and contact information such as, telephone number, fax number (if any) and e-mail address (if any). You should also type or stamp the word CONFIDENTIAL on the bottom left hand corner of the page.

### **STATEMENT OF PURPOSE**

Tell the reader exactly why you wrote the plan. “The company is seeking a loan in the amount of \$\_\_\_\_\_ to be used to purchase \_\_\_\_\_ as part of an expansion (or start up) of the company’s dry cleaning business.” This sentence can be used as your opening line on your Executive Summary if it is short enough.

### **EXECUTIVE SUMMARY**

This is your most important section of the business plan. It should be written last because you'll be pulling the best of information from the other sections to create highlights of your plan. This is the only section where you'll be able to share **your vision of the business, tell why you're the person or team to implement the plan, and why you will be successful.** If your executive summary doesn't capture the attention of your reader, he or she may never read the nuts and bolts of the rest of your plan. Try not to go over two pages unless you have some extraordinary information that needs to be shown.

### **TABLE OF CONTENTS**

This is simply the sections of the business plan (the outline) listed with the page numbers after each section to make it easier for people to turn to specific places in the plan.

## THE BUSINESS

### **Description of the Business**

This section describes your business and the industry you're in. It should include the current status of the business (start-up, existing, acquisition), the business structure (sole-proprietor, partnership, limited liability company corporation) and the ownership structure (Are you the only owner? If not, list all owners and their percentage ownership in the business.)

### **Location and hours of the business**

Where is your business located and what hours will you be opened? If location is important to the business, explain the advantages and the benefits of the location (foot traffic; closeness to highways.)

### **Products and Services**

Tell the reader about the products and services that your business provides. The reader should be able to easily understand your business. Tell which of your products are most profitable and which have special or unique features.

### **Marketing Analysis and Competition**

This section is one of the most important. You must demonstrate that you are knowledgeable not only about your business but also the industry in general. First, describe the industry and any trends in the industry. You will need to research this info in trade publications, on the Internet, or from your experience. Secondly, discuss your target customers. Who are they? Who'll be most likely to buy from you? Thirdly, what is the size of your market area and how many potential customers do you think are in it. Lastly, identify your competitors, explain why you are better or how you are different, and tell why you think their customers will do business with you.

### **Marketing Plan**

Now that you've identified your market, you need to explain how you can get these customers to buy from you. Write about how you will reach these customers. Will you use advertising brochures that you send to them (direct mail)? Will you use radio, telemarketing, newspapers, e-commerce, or something else? How much will it cost? How many customers you think you'll be able to reach? Are there special customers (niche markets) that you're looking to reach? Will this advertising reach them?

## Management and Personnel

A business is only as strong as the people running it. You need to show who will be running the business, their qualifications (background and experience), and their responsibilities. Include the resumes of owners and key personnel. If you have other employees, list their responsibilities and cost to you. You will also want to include those professionals who will be helping you. Attorneys, Accountants, Counselors, etc. are people that you should identify as part of your team.

## THE FINANCIAL DATA

This is the most important part of your business plan. This section will show how your business is going to perform. This can be the most difficult part of your plan to do well. If you are so inclined, you can have your accountant help you do this (but the key word is help. You must understand the financial aspects of your business to be successful). It takes a lot of thought about your business and honest evaluation of your sales and expenses. The finished product will show you whether you'll have enough money to run your business and whether you can make enough money to make a living. **Remember**; don't let this section overwhelm you. You can do it.

### Sources and Uses of Funds

This section is brief, you simply list where monies are coming from to fund the project or start-up of the business (“Sources”) and how you will spend the Sources to complete the Project or start up the business (“Uses”). Use the following chart as a guide (your chart may be very different). **The totals of both sides must be equal.** Working Capital is the money you have left over after totaling all of the specific Uses and subtracting that total from the Sources total. The Working Capital number will be used in month 1 of your Cash Flow Budget Worksheet.

#### Sources:

#### Uses:

Cash from business and owner	\$	Remodel Space	\$
Investor Contribution	\$	Equipment	\$
Loan Proceeds	\$	Rent Deposit	\$
		Utilities Deposit	\$
<b>Total</b>	\$	Office Supplies	\$
		Initial Inventory	\$
		Other (Identify)	\$
		<b>Working Capital</b>	\$
		<b>Total</b>	\$

### **Pro-Forma Income Projections (profit and loss statement)**

This section requires you to project (estimate) future sales/income and expenses based on the business plan going forward. Existing businesses can use their historical financial information as a starting point to project future sales and expenses. If you are a start-up, you won't have any prior numbers to work from. You'll have to give your best estimates on what they will be. You have to be realistic. Do some research to support your estimates. Get quotes for expense items to make sure your estimates are reasonable. This is a guideline for your business's ability to be profitable. The business may not show profitability in its' first year. However, it should be profitable within a reasonable amount of time or it may be showing you that the business can't support you. Use the attached [Projected Profit and Loss Worksheet](#) (click link to print in pdf format-if you do not have adobe acrobat click [here](#) to download) to help you calculate your first year. Other years do not need to be broken down month by month. They can be done in a single column listing the same categories that were used on the worksheet.

### **Pro-Forma Cash Flow Projections**

This section is the most important for you. (Its' importance can't be stressed enough). Cash Flow Projections tell you whether you'll have enough cash to allow your business to continue running during the critical beginning stages or heavy growth stages. The government estimates that most small businesses that file for bankruptcy are actually profitable when they file. These businesses just run out of money needed to run day-to-day operations. Use the attached [Cash Flow Budget Worksheet](#) (click link to print in pdf format-if you do not have adobe acrobat click [here](#) to download) to calculate your cash flow. Since there are technically no sales in your first month of business (there are sales but they don't get registered until month number two), you'll start Month 1 Beginning Cash Balance with the Working Capital amount you calculated in the Sources & Uses Section. Add the appropriate expenses underneath and you'll be able to calculate how much money will be left for the start of month two. Remember, you'll have to buy inventory or materials to replace what you sold in the previous month, so that amount will have to be plugged into the next month. Keep doing each month's calculation until you finish the first year. Each month you'll take the Available Cash Balance and subtract all the expenses from it, which will give you the Beginning Cash Balance for the next month. This tells you if you have enough cash on hand to keep your business running smoothly.

## **Break-even Analysis**

This section will show you what level of sales will be needed so that you're making is enough to cover all your fixed expenses. This will tell you at what point you start to produce profits. It requires you to determine two numbers. The first is your fixed cost. These are expenses you must pay every month regardless of your sales volume. Fixed costs include rent, insurance, interest, office supplies, maintenance fees, administrative costs, etc. Total your Fixed Costs and divide the total by your Average Gross Profit Margin. Simply put, your Gross Profit is the amount of profit you make on a sale. The Gross Profit Margin is your Gross Profit shown as a percentage of your total sales. For example, you sell an item for \$25.00. The item cost you \$15.00. Your Gross Profit is \$10.00 (\$25.00 sale minus \$15.00 cost). Your Gross Profit Margin is calculated by dividing Gross Profits by Sales Price. In this example, the Gross Profit Margin is 40% ( $\$10 \div \$25$ ). Your Average Gross Profit Margin is the average estimated gross Profit Margin on all sales of all products. This is also expressed as a percentage. Now that you know your Fixed Costs and your Average Gross Profit Margin, you can complete your break-even analysis. The formula is follows:

$$\frac{\text{Fixed Costs}}{\text{Profit Margin}} = \text{Break-even Point}$$

For example, if you have \$1000 per month in Fixed Cost and your Average Gross Profit Margin is 40%, then your Break-even point would be \$1000 divided by .40 or \$2500. This means that you have to sell \$2500.00 to break even for the month.

## **Financial Assumptions**

This section explains how you came up with the numbers you used in your financial projections. The numbers that you are using can't be just made up. They must come from your research. Any part of the financial projections that is not obvious to the reader should be explained.

Here are some examples of assumptions a business owner may make when creating financial projections.

**GROSS SALES-** Projected sales are based on the sale of 20 (product) per week at \$63 each as my research (copy enclosed) has indicated. The sales are projected from industry research in markets with my demographic size.

**COST of GOODS SOLD**-The cost of goods sold is based on a 60% markup on inventory.

**PAYROLL**- Payroll expense is calculated by the owners salary of \$24,000 and 3 part time people working 15 hours a week at \$7.00 per hour.

At the end of your assumptions, discuss the potential risks that your business could face (new technologies, new competitors, etc.) and how you plan to deal with it.

### **Supporting Documents**

This section should contain any other relevant information regarding your business. Incorporation papers, owner resumes and any letters of recommendation, copies of leases or contracts, owners personal financial statements, two years of owners tax returns, or anything else to support your business plan.

### Cash Flow Budget Worksheet

Period	1	2	3	4	5	6	7	8	9	10	11	12	Total
<b>Beginning Cash Balance</b>													
Cash Sales													
Accounts Receivable													
Other													
Loan Proceeds													
<b>Total Cash Inflow</b>													
<b>Available Cash Balance</b>													
Advertising													
Bank Service Charges													
Credit Card Fees													
Delivery													
Health Insurance													
Insurance													
Interest													
Inventory Purchases													
Maintenance													
Office													
Officer Salary													
Payroll													
Payroll Taxes													
Professional Fees													
Rent or Lease													
Subscriptions & dues													
Supplies													
Taxes & Licenses													
Utilities & Telephone													
Other													
Travel													
Maintenance													
<b>Subtotal Cash Outflow</b>													
Capital Purchases													
Loan Payment													
Owner's Draw													
Other:													
<b>Subtotal Other Cash Outflow</b>													
<b>Total Cash Outflow</b>													
<b>Ending Cash Balance</b>													

**Projected Profit and Loss Statement**

<b>Period</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>Total</b>
Gross Sales													
Less Sales Returns													
<b>Net Sales</b>													
Materials													
Labor													
Other Direct Expenses													
<b>Total Cost of Goods Sold</b>													
<b>Gross Profit</b>													
Advertising													
Bad Debts													
Bank Charges													
Car Expense													
Credit Card Fees													
Delivery Expenses													
Depreciation / Amortization													
Dues and Subscriptions													
Employee Benefits													
Equipment Rental													
Insurance													
Interest													
Maintenance													
Miscellaneous													
Office Expense													
Officer Salary													
Operating Supplies													
Payroll													
Payroll Taxes													
Permits and Licenses													
Postage													
Rent													
Taxes - other													
Telephone													
Travel													
Utilities													
<b>Total Operating Expense</b>													
<b>Net Operating Income</b>													
Other income (expense)													
<b>Net Income Before Tax</b>													