

# MICROLOAN APPLICATION

Before you begin filling out this Loan Application Form, please review the enclosed fact sheet. This will help you move forward as quickly as possible. Please provide the following information. If you need more space, attach additional sheets to this application.

## SECTION I: BUSINESS INFORMATION

1. Business Owners:

Name(s)	SS#	Address	City/State/Zip	Email
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2. Length of residency in Maine \_\_\_\_\_ U.S. Citizen \_\_\_\_\_ Yes \_\_\_\_\_ No

3. Business Telephone: ( ) \_\_\_\_\_ Home Telephone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

4. Business Name: \_\_\_\_\_

5. Business Location: \_\_\_\_\_

6. Town: \_\_\_\_\_ 7. State: **Maine** 8. County: \_\_\_\_\_ 9. Zip: \_\_\_\_\_

10. Describe Type of Business (Product or Service): \_\_\_\_\_  
\_\_\_\_\_

11. Business Status: (check one) \_\_\_\_\_ New (under 12 months) \_\_\_\_\_ Existing (over 12 months)

12. Date Business was established: \_\_\_\_\_ 13. Current Number of Employees (include owner in count)

Full-time \_\_\_\_\_ Part-Time \_\_\_\_\_

14. Have you met all the legal requirements necessary to establish your business?  
\_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Not sure

15. Federal Tax ID Number (if you have one): \_\_\_\_\_

16. Type of Business Organization:

_____ Partnership	_____ Sole Proprietorship	_____ Not Yet Established
_____ S Corporation	_____ C Corporation	_____ Other _____

17. Is your business \_\_\_\_\_ For profit \_\_\_\_\_ Non-profit

18. Do you have any personal/business judgements, unsettled lawsuits, major disputes, or tax liens against you or pending against you? \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please describe: \_\_\_\_\_

19. Has the business, or any principals of the business, been involved in bankruptcy or insolvency proceedings?  
 Yes  No If yes, please explain \_\_\_\_\_
20. Have you had any past credit problems that we should be aware of?  Yes  No  
 If yes, please explain \_\_\_\_\_
21. What kind of insurance do you currently carry? (Check all that apply)  
 Business  Health  Life  Homeowners/Renters  Auto

**SECTION II: BUSINESS PLAN INFORMATION**

22. Have you completed a Business Plan?  Yes  No  
 (A Business Plan is required before your application can be processed. This applies to both start-up and existing businesses. If you do not have a Business Plan, please complete the enclosed Business Plan worksheet.)
23. If you answered "Yes" to question #22, when and by whom was the Business Plan prepared?  
 \_\_\_\_\_
24. If you have not completed a Business Plan, would you like information on assistance available to help you prepare one?  Yes  No

**SECTION III: FINANCING INFORMATION:** Please be specific

25. Purpose of the loan request: \_\_\_\_\_
26. Describe how this loan will help your business: \_\_\_\_\_  
 \_\_\_\_\_
27. Have you or are you planning to apply elsewhere for a loan to finance this project?  Yes  No  
 Where? \_\_\_\_\_  
 Describe the results/status of application: \_\_\_\_\_  
 \_\_\_\_\_
28. Total amount of Loan Request: \$ \_\_\_\_\_  
 Please specify and describe the use of loan funds:

**29. Proposed use of funds:**

<u>Description</u>	<u>\$ Amount</u>
What supplies or merchandise will you buy? _____	\$ _____
What tools and equipment will you buy? _____	\$ _____
What improvements will you make to your place of business? _____	\$ _____
What will you spend on marketing, advertising, or trade shows? _____	\$ _____
How much do you plan to spend for other purposes? (Describe uses) _____	\$ _____

30. I would like to play this loan off in \_\_\_\_\_ months.
31. Proposed collateral: \_\_\_\_\_ Business Assets      \_\_\_\_\_ Mortgage      \_\_\_\_\_ Co-signer  
 \_\_\_\_\_ Other: \_\_\_\_\_
32. Amount and source of personal (non-loan) funds that you have invested or plan to invest in the business/project:  
 Cash Amount: \$ \_\_\_\_\_  
 Source: \_\_\_\_\_ (i.e., savings, credit card, personal loan, etc.)

**SECTION IV: REFERENCES**

33. Credit references (banks, suppliers, utilities, credit cards):

Name _____	Address _____
Account Number _____	Telephone _____
Name _____	Address _____
Account Number _____	Telephone _____
Name _____	Address _____
Account Number _____	Telephone _____

34. Personal References:

Name _____	Address _____
Telephone _____	
Name _____	Address _____
Telephone _____	

**SECTION V: APPLICATION CHECKLIST**

To **avoid delays** in the processing of your application, please include the following information with your application. If you have any questions regarding these items, please contact your Lender.

1. Completed Business Plan, including cash flow projections  
 (If you do not have a Business Plan, please complete the enclosed Business Plan form)
2. Completed Personal Financial Statement  
 (Form is enclosed)
3. **Existing businesses only:** Completed Business Balance Sheet and Profit and Loss Statement  
 (Form is enclosed)
4. Two years' personal and/or business income tax returns.

Additional information may be required as determined by your Lender.

**PLEASE REMEMBER:** This is an ***“applicant-driven process”*** . . . we work as quickly as you do!  
 The sooner we have the required information, the sooner we can make a decision regarding your request.

## SECTION V: DEMOGRAPHIC INFORMATION

36. The following information is being obtained for statistical purposes only. Please check those that apply:

Business owned by:	<input type="checkbox"/> Female (100%)	<input type="checkbox"/> Female (51%)	<input type="checkbox"/> Male (100%)	<input type="checkbox"/> Male (51%)
Veteran status:	<input type="checkbox"/> Non-Veteran	<input type="checkbox"/> Vietnam-era Veteran	<input type="checkbox"/> Other Veteran	
Race/Ethnicity:	<input type="checkbox"/> American Indian or Alaskan Native		<input type="checkbox"/> Asian/Pacific Islander	
	<input type="checkbox"/> Black	<input type="checkbox"/> White	<input type="checkbox"/> Hispanic Origin	<input type="checkbox"/> Not of Hispanic Origin

## SECTION VI: CERTIFICATIONS

Please read the following and sign the Application Form below. All owners, officers, or partners must sign this application.

The information provided in this application is accurate to the best of my knowledge. I understand that personal and/or business information may be requested pursuant to this Loan Application and I hereby give my consent for such information to be provided. I also understand that the lender retains the sole decision as to whether this Loan Application is approved, disapproved, or modified. It is my right to accept or decline the loan amount, rate, and terms approved by the lender.

Name (Printed): \_\_\_\_\_

Name (Printed): \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

For office use only:

Rec'd by: _____	Date: _____	Rec'd by: _____	Date: _____
Action Taken: _____		Action Taken: _____	
Comments: _____		Comments: _____	
_____		_____	
_____		_____	
_____		_____	

*This application was developed by the Washington County MicroBusiness Partnership Project, whose members included the Washington-Hancock Community Agency, the Women's Business Development Center, and the Eastern Maine Development Corporation.  
Copyright 1996*



## FACT SHEET

# Loans for Small Business

**Purpose:** DCP provides business loans, technical assistance, and training to stimulate the development and expansion of small businesses and create jobs in Washington and Hancock counties.

**Advantages:** These loan programs are designed to provide greater flexibility than found under standard bank loan programs in the areas of collateral, credit history, and length of business history.

**Eligible uses:** For the purchase of equipment, supplies, inventory, leasehold improvements, and working capital.

### **Available loans:**

LOAN TYPE	Loan Size	Rates & Terms	Guidelines*
<b>MicroEnterprise Loan</b> To qualify, loan applicants must be within income guidelines shown and must have been denied conventional financing. Additionally, each applicant and his or her spouse or dependents shall have a total net worth of no more than \$25,000, excluding equity in the applicant's primary residence and non-liquid business assets.	up to \$10,000	Rate is New York Prime Rate plus 1%. Terms up to 10 years.	Number <u>in Family</u> <u>Annual Income</u> 1                    \$35,850 2                    \$40,950 3                    \$46,100 4                    \$51,200 5                    \$55,300 6                    \$59,400 7                    \$63,500 8                    \$67,600

<b>Economic Development Match Loan (EDM)</b> For businesses with fewer than 50 employees.	up to \$50,000	Rate is minimum of 8%. We match the rate of the other lender. Terms up to 20 years. There is a 2% origination fee due at the time of the loan closing.	No income guidelines. Other industry criteria must be met to qualify for this loan.
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*\*Varies according to county.*

### **Additional Requirements:**

***Business plan:*** Applicants are required to complete the business plan portion of the loan application packet or provide an adequate alternate business plan. DCP can provide assistance with the completion of the loan application.

***Collateral:*** You must pledge sufficient assets, to the extent that they are reasonably available, to adequately secure the loan. Personal guaranties are required from all the principal owners of the business. Liens on personal assets of the principals also may be required. However, loans may not necessarily be declined where insufficient collateral is the only unfavorable factor.

***Credit history:*** An applicant's credit history should reflect a satisfactory record. A history of slow payments or negative ratings will require satisfactory explanation.

### ***Who makes the loan decisions?***

MicroEnterprise Loans - Decisions are made by the MicroEnterprise Loan Committee which is made up of volunteers from the community.

EDM Loans - Decisions are made by the Economic Development Match Loan Committee.

### ***How long does the loan decision process take?***

After a completed application is received by DCP, it will take from four to eight weeks for a decision to be made. Incomplete applications will not be submitted to the committee for a decision.

### ***For further information or to apply for a loan, please contact:***

Downeast Community Partners  
248 Bucksport Road, Ellsworth, ME 04605  
Sarah Hardison, Loan Officer, 207-610-5928 ext. 5928  
E-mail: [Sarah.Hardison@DowneastCommunityPartners.org](mailto:Sarah.Hardison@DowneastCommunityPartners.org)

# ***HOW TO APPLY FOR A MICROENTERPRISE LOAN PROGRAM SMALL BUSINESS LOAN . . .***

## **①** *Step One*

After receiving an application, you, the MicroEnterprise applicant, meet with the loan manager to discuss your business and completion of the application. The loan manager will go through the specifics of completing the Cash Flow Chart, and will discuss with you additional information required for application submission.

## **②** *Step Two*

When the application has been submitted to the loan manager, it will be examined to verify all the necessary paperwork has been provided. The manager will work with you to make any adjustments necessary, and to gather any information which may be required. A site visit by the loan manager will be made.

## **③** *Step Three*

Loan applications are submitted to the Loan Committee. On a given day, you will be asked to appear before the Committee to discuss with them your small business project. You will know before you leave the Loan Committee whether your loan has been approved. If your loan has been denied, you will receive a letter explaining the reasons why. Please Note: If you are applying for an Economic Development Match Loan (EDM), meeting with the Loan Committee is not part of the process.

## **④** *Step Four*

Paperwork is completed on approved loans. Checks are distributed as two-party checks, with both your name **and** vendor of the product or service you are purchasing. If you had not provided invoices from your suppliers during the pre-approval process, they will be required prior to the checks being written.

## **⑤** *Step Five*

As part of the MicroEnterprise Loan Program post-loan technical assistance, completion of financial statements will be regularly required. MicroEnterprise Loan Program staff will also make occasional site visits. We will always be available to discuss questions about your business. If we do not have the expertise you required, we will refer you to the appropriate resource.

***The process, from initial inquiry to closing, is usually between 6 and 8 weeks.*** Because these are higher-risk loans than a conventional lender may make, more information and detail are required, and, therefore, the process takes more time. The faster the applicant provides the loan manager with a complete loan application, the faster a loan decision can be made.

As a help in completing the enclosed application, I have included the following series of questions which should be answered as you are going along. All are important considerations in starting a business:

**WHO . . .**

- are my potential customers?
- are my competitors?
- will be my partner(s) (if anybody)?
- are my potential employees?

**WHAT . . .**

- will I charge for my product or service?
- will I sell, make, or offer?
- will I pay my employees?
- benefits will I offer them?
- is the composition of the local labor force?

**WHERE . . .**

- will I rent, buy, or lease an office, store, warehouse, or plant?
- will I get supplies or raw materials?
- are these suppliers?
- do I want to be (in life) in five, ten, fifteen, twenty years?

**WHY . . .**

- will people be attracted to my product or service? **(VITAL)**
- should I go into business in the first place?

**WHEN . . .**

- shall I start my business?
- is the right time to start my business?

**HOW . . .**

- much start-up capital will I need?
- will I promote my business and/or product/service?
- should I sell the product—my own store, others' stores, mail order?
- many potential customers do I have?
- many competitors do I have? (locally, state-wide, nationally, depending on your business)
- many employees will I need?
- will I find and hire employees?

There are other questions you may want to answer to yourself before you consider starting a business:

- What government help is available to me? (publications, etc.)
- When will I find time for family and friends? (owning a business may be a fifty to sixty hour, or more, a week, job)
- When are the taxes due?



**PERSONAL FINANCIAL STATEMENT**

Date Completed: \_\_\_\_\_

1. **ANNUAL GROSS INCOME:** Please show actual gross income for previous twelve months for all household members.

<u>NAME</u>	<u>GROSS INCOME</u>	<u>FROM WHAT SOURCE</u>
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
TOTAL GROSS INCOME	\$ _____	
INCOME TAXES PAID	\$ _____	
NET INCOME	\$ _____	

2. **ANNUAL HOUSEHOLD EXPENSES:** Please show personal expenses for the previous 12 months. *Do not include business expenses in this section.*

Rent/mortgage payments (12 months)	\$ _____
Car payments (12 months)	\$ _____
Installment debt/credit cards	\$ _____
Insurance	
Property	\$ _____
Auto	\$ _____
Health/Life	\$ _____
Real estate taxes	\$ _____
Utilities	
Heat	\$ _____
Lights/Electric	\$ _____
Phone	\$ _____
Water	\$ _____
Misc. (cable, etc.)	\$ _____
Medical expenses (not covered by insurance)	\$ _____
Child Care expenses	\$ _____
Education (include student loans)	\$ _____
Food	\$ _____
Other (list) _____	\$ _____
TOTAL ANNUAL EXPENSES	\$ _____

Do you receive food stamps? \_\_\_\_\_

Do you receive fuel assistance? \_\_\_\_\_

## PERSONAL BALANCE SHEET

### WHAT YOU OWN

### CURRENT VALUE

Cash on Hand	\$ _____
Bank Accounts (name of bank; checking or savings)	\$ _____
_____	\$ _____
Investments (retirement accounts, mutual/money market funds, stocks, bonds)	\$ _____
_____	\$ _____
Residential Real Estate (describe)	\$ _____
_____	\$ _____
Other Real Estate (describe)	\$ _____
_____	\$ _____
Life Insurance (company, policy number & cash value – no cash value for term insurance)	\$ _____
_____	\$ _____
Automobiles (make, model, and year)	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Money Other People Owe You (notes, mortgages)	\$ _____
_____	\$ _____
Other Valuable Assets (jewelry, furnishings, art, collections, etc.)	\$ _____
_____	\$ _____
<b>TOTAL VALUE</b>	<b>\$ _____</b>

### WHAT YOU OWE

	<u>OWED TO WHOM</u>	<u>BALANCE OWED</u> (Where Applicable)	<u>MONTHLY PAYMENT</u>	<u>PAYOFF DATE</u>
Mortgages	_____	\$ _____	\$ _____	_____
Auto Loans	_____	\$ _____	\$ _____	_____
	_____	\$ _____	\$ _____	_____
Personal Loans	_____	\$ _____	\$ _____	_____
	_____	\$ _____	\$ _____	_____
Credit Cards	_____	\$ _____	\$ _____	_____
	_____	\$ _____	\$ _____	_____
	_____	\$ _____	\$ _____	_____
	_____	\$ _____	\$ _____	_____
Student Loans	_____	\$ _____	\$ _____	_____
Child Support	_____	\$ _____	\$ _____	_____
Unpaid Taxes	_____	\$ _____	\$ _____	_____
Other	_____	\$ _____	\$ _____	_____
<b>TOTAL AMOUNT OWED</b>		<b>\$ _____</b>		
<b>NET WORTH</b> (Value Less Amount Owed)		<b>\$ _____</b>		

**BUSINESS BALANCE SHEET**

*To be completed by existing businesses only*

Date Completed: \_\_\_\_\_

**WHAT YOUR BUSINESS OWNS**

**CURRENT VALUE**

Cash on Hand \$ \_\_\_\_\_

Bank Accounts (name of bank; checking or savings) \_\_\_\_\_  
\$ \_\_\_\_\_

Real Estate (describe) \_\_\_\_\_  
\$ \_\_\_\_\_

Equipment \_\_\_\_\_  
\$ \_\_\_\_\_

Furniture and Fixtures \_\_\_\_\_  
\$ \_\_\_\_\_

Inventory (supplies, merchandise) \_\_\_\_\_  
\$ \_\_\_\_\_

Automobiles (make, model, year) \_\_\_\_\_  
\$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_

Accounts Receivable (money customers owe you) \_\_\_\_\_  
\$ \_\_\_\_\_

Other \_\_\_\_\_  
\$ \_\_\_\_\_

TOTAL VALUE \$ \_\_\_\_\_ (A)

**WHAT YOUR BUSINESS OWES** (amount due now)

<u>OWED TO WHOM</u>	<u>BALANCE OWED</u>	<u>MONTHLY PAYMENT</u>	<u>PAYOFF DATE</u>
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Bills, Accounts payable, due suppliers \$ \_\_\_\_\_  
(Where Applicable)

Loans (business) _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

Auto Loans _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

Credit Cards _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

Unpaid Taxes _____	\$ _____	\$ _____	_____
Other _____	\$ _____	\$ _____	_____

**TOTAL AMOUNT OWED** \$ \_\_\_\_\_ (B)

**NET WORTH** (Value Less Amount Owed) \$ \_\_\_\_\_ (A Minus B)

**BUSINESS INCOME AND EXPENSE (PROFIT AND LOSS) STATEMENT**

*To be completed by existing businesses only*

2016 and 2017 information can be found on your income tax returns. Please attach copies of your tax returns with this application.

	2016	2017	2018 YEAR TO DATE
(A) Gross Sales	_____	_____	_____
(B) Cost of Goods Sold	_____	_____	_____
<b>(A) – (B) = (C) Gross Profit</b>	_____	_____	_____
(D) Operating Expenses (do not include owners draw or depreciation)	_____	_____	_____
<b>(C) – (D) = NET PROFIT</b>	_____	_____	_____

How much did you pay yourself out of the business last year? \_\_\_\_\_

# BUSINESS PLANNING WORKSHEET

Date Completed: \_\_\_\_\_

The purpose of a Business Plan is to provide an operating guideline to manage your business effectively and successfully. This form has been designed to provide a basic outline for a Business Plan. You may use it as a general reference for completing your own Plan or simply fill in the blanks in as much detail as possible and return it with your application. If you need more room, please feel free to include the extra information on separate pieces of paper.

Name of Business:

\_\_\_\_\_  
Name(s) of Owner(s):

\_\_\_\_\_  
Business Address:

\_\_\_\_\_  
Business Phone:

\_\_\_\_\_  
1) Business type:  Wholesale  Retail  Service  Manufacturing

2) How long have you been in business? \_\_\_\_\_ years \_\_\_\_\_ months  not yet in operation

3) Describe your plans for the future of your business:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4) Where will your business be located? What makes this a good location?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## MANAGEMENT

Describe your background. Note your areas of special knowledge and experience as related to your business. Attach your resume. If anyone helps you manage your business, please provide information about his/her background as well. What else would be helpful to know about you?

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## MARKET AND PRODUCT INFORMATION

1) Where are most of your customers located?

Local (within 50 miles)  Statewide  Out of state  Out of USA

2) Briefly describe your product or service:

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3) What type of individual or company buys or will buy your product or service?  
(Be specific. Not everyone will be a customer of yours.)

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## MARKET AND PRODUCT INFORMATION (CONTINUED)

4) Have any individuals or businesses formally agreed to purchase your product or service

Yes  No If "yes", please attach copies of the agreements or contracts.

Comments:

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5) Who are your biggest competitors? What sets you apart from them (why would a customer come to you instead of them)?

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6) Do you advertise, or do you have plans to advertise?  Yes  No

If "yes", please describe. Feel free to attach business cards, ad clippings, letterhead, brochures, etc.

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**GENERAL INFORMATION**

Please use this space for any further information you would care to add and/or to describe any aspects of your business you consider unique. Please attach photos, advertising copy, business cards, letters of support, or anything else you would consider helpful.

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# W/HCMP

Washington/Hancock County Microbusiness Partnership

## GUIDELINES FOR PREPARING A CASH FLOW PROJECTION

### GENERAL

**DEFINITION:** A cash flow projection is a forecast of cash funds\* a business anticipates receiving, on the one hand, and disbursing, on the other hand, throughout the course of a given span of time, and the anticipated cash position at specific times during the period being projected.

**OBJECTIVE:** The purpose of preparing a cash flow projection is to determine deficiencies or excesses in cash from that necessary to operate the business during the time for which the projection is prepared. If deficiencies are revealed in the cash flow, financial plans must be altered either to provide more cash by, for example, more equity capital, loans, or increased selling prices of products, or to reduce expenditures including inventory, or allow less credit sales until a proper cash flow balance is obtained. If excesses of cash are revealed, it might indicate excessive borrowing or idle money that could be "put to work." The objective is to finally develop a plan which, if followed, will provide a well-managed flow of cash.

**THE FORM:** The cash flow projection form provides a systematic method of recording estimates of cash receipts and expenditures, which can be compared with actual receipts and expenditures as they become known — hence the two columns, Estimate and Actual. The entries listed on the form will not necessarily apply to every business, and some entries may not be included which would be pertinent to specific businesses. It is suggested, therefore, that the form be adapted to the particular business for which the projection is being made, with appropriate changes in the entries as may be required. Before the cash flow projection can be completed and pricing structure established, it is necessary to know or to estimate various important factors of the business, for example: What are the direct costs of the product or service per unit? What are the monthly or yearly costs of the operation? What is the sales price per unit of the product or service? Determine that the pricing structure provides this business with reasonable breakeven goals (including a reasonable net profit) when conservative sales goals are met. What are the available sources of cash, other than income from sales; for example, loans, equity capital, rent, or other sources?

**PROCEDURE:** Most of the entries for the form are self-explanatory; however, the following suggestions are offered to simplify the procedure:

- (A) Suggest even dollars be used rather than showing cents.
- (B) If this is a new business, or an existing business undergoing significant changes or alterations, the cash flow part of the column marked "Pre-start-up Position" should be completed. (Fill in appropriate blanks only.) Costs involved here are, for example, rent, telephone, and utilities deposits before the business is actually open. Other items might be equipment purchases, alterations, the owner's cash injection, and cash received from loans before actual operations begin.
- (C) Next fill in the pre-start-up position of the essential operating data (non-cash flow information), where applicable.
- (D) Complete the form using the Item-By-Item Instructions on the reverse side.

\* Cash funds, for the purpose of this projection, are defined as cash, checks, or money order, paid out or received.

### CHECKING

In order to insure that the figures are properly calculated and balanced, they must be checked. Several methods may be used, but the following four checks are suggested as a minimum:

**CHECK #1:** Item #1 (Beginning Cash on Hand — 1<sup>st</sup> Month) plus Item #3 (Total Cash Receipts — Total Column) minus Item #6 (Total Cash Paid Out — Total Column) should be equal to Item #7 (Cash Position at End of 12<sup>th</sup> Month).

**CHECK #2:** Item A (Sales Volume — Total Column) plus Item B (Accounts Receivable — Pre-start-up Position) minus Item 2(a) (Cash Sales — Total Column) minus Item 2(b) (Accounts Receivable Collection — Total Column) minus Item C (Bad Debt — Total Column) should be equal to Item B (Accounts Receivable at End of 12<sup>th</sup> Month).

**CHECK #3:** The horizontal total of Item #6 (Total Cash Paid Out) is equal to the vertical total of all items under Item #5 (5[a] through 5[w]) in the total column at the right of the form.

**CHECK #4:** The horizontal total of Item #3 (Total Cash Receipts) is equal to the vertical total of all items under Item #2 (2[a] through 2[c]) in the total column at the right of the form.

**ANALYZE:** Analyze the correlation between the cash flow and the projected profit during the period in question. The estimated profit is the difference between the estimated change in assets and the estimated change in liabilities before such things as any owner withdrawal, appreciation of assets, changes in investments, etc. (The change may be positive or negative.) This can be obtained as follows:

**CHANGE IN ASSETS:** The change in assets before owner's withdrawal, appreciation of assets, change in investments, etc., can be computed by adding the following:

- (1) Item #7 (Cash Position — End of Last Month) minus Item #1 (Cash on Hand at the Beginning of the First Month).
- (2) Item #5(t) (Capital Purchases — Total Column) minus Item F (Depreciation — Total Column)
- (3) Item B (Accounts Receivable — End of 12<sup>th</sup> Month) minus Item B (Accounts Receivable — Pre-start-up Position).
- (4) Item D (Inventory on Hand — End of 12<sup>th</sup> Month) minus Item D (Inventory on Hand — Pre-start-up Position).
- (5) Item #5(w) (Owner's Withdrawal — Total Column) or dividends, minus such things as an increase in investment.
- (6) Item #5(v) (Reserve and/or Escrow — Total Column).

**CHANGE IN LIABILITIES:** The change in liabilities (before items noted in "Change in Assets") can be computed by adding the following:

- (1) Item #2(c) (Loans — Total Column) minus Item 5(s) (Loan Principal Payment — Total Column)
- (2) Item E (Accounts Payable — End of 12<sup>th</sup> Month) minus Item E (Payable Receivable — Pre-start-up Position).

## ITEM-BY-ITEM INSTRUCTIONS FOR CASH FLOW PROJECTION

1. CASH ON HAND (Beginning of month)	<i>Cash on hand same as (7), Cash Position Previous Month</i>
2. CASH RECEIPTS	
(a) Cash Sales	<i>All cash sales. Omit credit sales unless cash is actually received.</i>
(b) Collections from Credit Accounts	<i>Amount to be expected from all credit accounts.</i>
(c) Loan or Other Cash injection	<i>Indicate here all cash injections not shown in 2(a) or 2(b) above. See "A" of "Analysis."</i>
3. TOTAL CASH RECEIPTS (2a+2b+2c = 3)	<i>Self-explanatory.</i>
4. TOTAL CASH AVAILABLE (Before cash out) (1 + 3)	<i>Self-explanatory.</i>
5. CASH PAID OUT	
(a) Purchases (Merchandise)	<i>Merchandise for resale or for use in product (paid for in current month).</i>
(b) Gross Wages (Excludes withdrawals)	<i>Base pay plus overtime, if any.</i>
(c) Payroll Expenses (Taxes, etc.)	<i>Include paid vacations, paid sick leave, health insurance, unemployment insurance, etc. (this might be 10% to 45% of 5[b]).</i>
(d) Outside Services	<i>This could include outside labor and/or material for specialized or overflow work, including subcontracting.</i>
(e) Supplies (Office and operating)	<i>Items purchased for use in the business (not for resale).</i>
(f) Repairs and Maintenance	<i>Include periodic large expenditures such as painting or decorating.</i>
(g) Advertising	<i>This amount should be adequate to maintain sales volume — include telephone book yellow page cost.</i>
(h) Car, Delivery, and Travel	<i>If personal car is used, charge in this column — include parking.</i>
(i) Accounting and Legal	<i>Outside services, including, for example, bookkeeping.</i>
(j) Rent	<i>Real estate only (see 5[p] for other rentals).</i>
(k) Telephone	<i>Self-explanatory.</i>
(l) Utilities	<i>Water, heat, light, and/or power.</i>
(m) Insurance	<i>Coverages on business property and products, e.g., fire, liability; also workman's compensation, fidelity, etc. Exclude "executive" life (include in 5[w]).</i>
(n) Taxes (Real estate, etc.)	<i>Plus inventory tax — sales tax — excise tax, if applicable.</i>
(o) Interest	<i>Remember to add interest on loan as it is injected. (See 2[c] above.)</i>
(p) Other Expenses (Specify each)	<i>Unexpected expenditures may be included here as a safety factor.</i>  <i>Equipment expenses during the month should be included here (non-capital equipment).</i>  <i>When equipment is rented or leased, record payments here.</i>
(q) Miscellaneous (Unspecified)	<i>Small expenditures for which separate accounts would not be practical</i>
(r) Subtotal	<i>This subtotal indicates cash out for operating costs.</i>

(s) Loan Principal Payment	<i>Include payment on all loans, including vehicle and equipment purchases on time payment</i>
(t) Capital Purchases (specify)	<i>Non-expensed (depreciable) expenditures, such as equipment, building, vehicle purchases, and leasehold improvements.</i>
(u) Other Start-up Costs	<i>Expenses incurred prior to first month projection and paid for after the start-up position.</i>
(v) Reserve and/or Escrow (Specify)	<i>Example: insurance, tax, or equipment escrow to reduce impact of large periodic payments.</i>
(w) Owner's Withdrawal	<i>Should include payment for such things as owner's income tax, social security, health insurance, "executive" life insurance premiums, etc.</i>
6. TOTAL CASH PAID OUT (Total 5[a] through 5[w])	<i>Self-explanatory.</i>
7. CASH POSITION (End of month) (4 – 6)	<i>Enter this amount in [1] Cash on hand following month — See "A" of "Analysis."</i>

### ESSENTIAL OPERATING DATA

(Non-cash flow information)	<i>This is basic information necessary for proper planning and for proper cash flow projection. In conjunction with this data, the cash flow can be evolved and shown in the above form.</i>
A. Sales Volume (Dollars)	<i>This is a very important figure and should be estimated carefully, taking into account size of facility and employee output as well as realistic anticipated sales (Actual sales performed — not orders received).</i>
B. Accounts Receivable (End of month)	<i>Previous unpaid credit sales plus current month's credit sales, less amounts received current month (deduct "C" below).</i>
C. Bad Debt (End of month)	<i>Bad debts should be subtracted from (B) in the month anticipated.</i>
D. Inventory on Hand (End of month)	<i>Last month's inventory plus merchandise received and/or manufactured current month minus amount sold current month.</i>
E. Accounts Payable (End of month)	<i>Previous month's payable plus current month's payable minus amount paid during month.</i>
F. Depreciation	<i>Established by your accountant, or value of all your equipment divided by useful life (in months) as allowed by Internal Revenue Service.</i>

### ANALYSIS

- The cash position at the end of each month should be adequate to meet the cash requirements for the following month. If too little cash, then additional cash will have to be injected or cash paid out must be reduced. If there is too much cash on hand, the money is not working for your business.*
- The cash flow projection, the profit and loss projection, the break-even analysis, and good cost control information are tools which, if used properly, will be useful in making decisions that can increase profits to insure success.*
- The projection becomes more useful when the estimated information can be compared with actual information as it develops. It is important to follow through and complete the actual columns as the information becomes available. Utilize the cash flow projection to assist in setting new goals and planning operations for more profit.*

# MONTHLY CASH FLOW PROJECTION

**INSTRUCTIONS ON REVERSE SIDE**

NAME OF BUSINESS			ADDRESS						OWNER			
YEAR	MONTH	Disbursement of Loan Proceeds	1		2		3		4		5	
		Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	
<b>1. CASH ON HAND</b>												
(Beginning of month)												
<b>2. CASH RECEIPTS</b>												
(a) Cash Sales												
(b) Collections from Credit Accounts												
(c) Loan or Other Cash Injection (Specify)												
<b>3. TOTAL CASH RECEIPTS</b>												
(2a + 2b + 2c = 3)												
<b>4. TOTAL CASH AVAILABLE</b>												
(Before cash out) (1 + 3)												
<b>5. CASH PAID OUT</b>												
(a) Purchases (Merchandise)												
(b) Gross Wages (Excludes Withdrawals)												
(c) Payroll Expenses (Taxes, etc.)												
(d) Outside Services												
(e) Supplies (Office and Operating)												
(f) Repairs and Maintenance												
(g) Advertising												
(h) Car, Delivery, and Travel												
(i) Accounting and Legal												
(j) Rent												
(k) Telephone												
(l) Utilities												
(m) Insurance												
(n) Taxes (Real Estate, etc.)												
(o) Interest												
(p) Other Expenses (Specify Each)												
_____												
_____												
(q) Miscellaneous (Unspecified)												
(r) Subtotal												
(s) Loan Principal Payment												
(t) Capital Purchases (Specify)												
(u) Other Start-up Costs												
(v) Reserve and/or Escrow (Specify)												
(w) Owner's Withdrawal												
<b>6. TOTAL CASH PAID OUT</b>												
(Total 5a thru 5w)												
<b>7. CASH POSITION</b>												
(End of Month) (4 minus 6)												

# MONTHLY CASH FLOW PROJECTION (continued)

TYPE OF BUSINESS								PREPARED BY						DATE		
6		7		8		9		10		11		12		TOTAL		
														Columns 1—12		
Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	
																1.
																2.
																(a)
																(b)
																(c)
																3.
																4.
																5.
																(a)
																(b)
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																(v)
																(w)
																6.
																7.

## DISCLOSURE AND CONFIDENTIALITY STATEMENT

Certain information in the Agency's possession must be made available for public inspection after an application for financial assistance is received. This information includes the names of applicants, including principals; the amounts, types and general terms of financial assistance; the number of jobs and the amount of revenues projected in connection with a project; and the names of the financial institutions participating in the project.

Certain records of the Agency are designated confidential and will not be available to the public for inspection. This includes the disclosure of records which would constitute an invasion of an individual's privacy, such as personal tax returns or financial statements, assessments of creditworthiness or financial condition records obtained by the Agency in connection with any monitoring or servicing of an existing project, and any records or information the release of which the Agency has determined could cause a business or competitive detriment to the person to whom the information belongs or pertains.

If an applicant desires information to be kept confidential, the applicant should clearly identify what information or documents s/he wishes to be kept confidential. The applicant must also explain in writing the basis for his/her request that the material be kept confidential. Where the applicant asserts that the basis for the confidentiality is that the release of the information could cause a business or competitive advantage or loss of a competitive advantage, the applicant must provide the Agency with sufficient information for the Agency to independently determine the likelihood of such detriment.

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The information contained in this application and attachments is submitted for purposes of inducing the Downeast Community Partners to extend credit to the undersigned. I understand that you are expressly relying on information contained herein in deciding to grant credit. I warrant and represent that the information provided is true and complete. I agree to notify you promptly in writing upon any material change in the information provided herein, and further acknowledge that you will continue to regard this statement as true and complete until your receipt of such written notification. You are authorized to make such inquiries as you deem necessary and appropriate to verify the accuracy of this application.

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Signature of Borrower

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Signature of Co-borrower

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# MICROENTERPRISE LOAN PROGRAM CREDIT REPORT RELEASE FORM

Credit reports may be obtained in connection with the application. Upon your request, you will be informed whether or not credit reports were obtained, and if reports were obtained, you will be informed of the name and address of the consumer reporting agency that furnished the report.

By signing below, you are acknowledging that you have read and understood the above paragraph. You are also giving Downeast Community Partners your permission to obtain your credit report from the Maine Credit Bureau for the purpose of this MicroEnterprise Loan Program application only.

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Signature of Borrower

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Date

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Social Security Number

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Signature of Co-Borrower

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Date

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Social Security Number