



WASHINGTON COUNTY COUNCIL  
ON ECONOMIC DEVELOPMENT

**SUBJECT: MICROLOAN APPLICATION PACKAGE**

Dear Entrepreneur:

We appreciate your inquiry about the SBA Microloan Program. Enclosed please find information that explains the objectives and limitations of this loan program. Please review this pamphlet to determine if it is right for your business.

The goal of our SBA Microloan Program is to provide loans to start-up and expanding small businesses in Washington, Fayette, Greene and Westmoreland Counties in Pennsylvania and Monongalia County in West Virginia.

Once you have reviewed this information and are ready to make a formal application for a loan under the SBA Microloan Program we need the following from you:

1. A completed application form.
2. Copies of your most recent three years of tax returns.
3. A copy of your business plan.
4. If you are applying for a loan of more than \$20,000, a certification that you were unable to obtain credit through other financial sources. (Copy Attached)
5. Sign and return the enclosed permission form and attach a \$15.00 check for each applicant (excluding spouses) to cover the cost of the credit inquiry(s).
6. Personal financial statement.
7. Loan request certification form.

Mail the completed package to:

**Washington County Council on Economic Development  
40 South Main Street, Lower Level  
Washington, Pa 15301**

Our most successful applicants supply complete application packages, demonstrate a strong potential for job creation, and show the ability to repay the loan in a timely manner. Since every business venture involves a degree of risk, an approved loan applicant may be expected to share the risk by pledging additional collateral, or in appropriate cases, a mortgage on their residence.

Once we have received your completed application and required documentation, we will arrange a site visit as quickly as possible. We look forward to working with you in the near future!

Alan A. Hill  
Senior Loan Officer  
(724)225-8223

John T. Starek  
Loan Officer/Enterprise Agent  
(724)225-8223

Enclosures

“THIS INSTITUTION IS AN EQUAL OPPORTUNITY LENDER AND PROVIDER”  
40 SOUTH MAIN STREET • LOWER LEVEL • WASHINGTON, PA 15301  
724-225-8223 • FAX: 724-225-8202

✓

**APPLICATION FORM  
WCCED MICROLOAN PROGRAM**

**FILE NUMBER** \_\_\_\_\_

**AMOUNT REQUESTED/ YEARS** \_\_\_\_\_ / \_\_\_\_\_

If there is more than one applicant, please copy & fill out application forms for each applicant

**BORROWER'S LAST NAME** \_\_\_\_\_ **FIRST** \_\_\_\_\_ **MIDDLE** \_\_\_\_\_ **SOCIAL SECURITY No.** \_\_\_\_\_ **DATE OF BIRTH** \_\_\_\_\_ **DAY TELEPHONE** \_\_\_\_\_

**PRESENT RESIDENCE ADDRESS** \_\_\_\_\_ **CITY** \_\_\_\_\_ **COUNTY** \_\_\_\_\_ **STATE** \_\_\_\_\_ **ZIP** \_\_\_\_\_ **HOW LONG LIVED THERE** \_\_\_\_\_ **HOME TELEPHONE** \_\_\_\_\_

**CURRENT EMPLOYER** \_\_\_\_\_ **ADDRESS** \_\_\_\_\_ **ZIP** \_\_\_\_\_ **HOW LONG WORKED THERE** \_\_\_\_\_

**PREVIOUS ADDRESS (PAST 5 YRS)** \_\_\_\_\_ **CITY** \_\_\_\_\_ **COUNTY** \_\_\_\_\_ **STATE** \_\_\_\_\_ **ZIP** \_\_\_\_\_ **NO. OF DEPENDENTS (Incl. self & spouse)** \_\_\_\_\_

**SPOUSE'S LAST NAME** \_\_\_\_\_ **FIRST** \_\_\_\_\_ **MIDDLE** \_\_\_\_\_ **SOCIAL SECURITY No.** \_\_\_\_\_ **DATE OF BIRTH** \_\_\_\_\_

**PRESENT RESIDENCE ADDRESS** \_\_\_\_\_ **CITY** \_\_\_\_\_ **COUNTY** \_\_\_\_\_ **STATE** \_\_\_\_\_ **ZIP** \_\_\_\_\_ **EMPLOYER** \_\_\_\_\_

\*\*\*\*\***BUSINESS INFORMATION**\*\*\*\*\*

**BUSINESS NAME** \_\_\_\_\_ **TYPE OF BUSINESS** \_\_\_\_\_ **PRODUCT/SERVICE** \_\_\_\_\_ **PRIMARY LOCATION(TOWN)** \_\_\_\_\_ **MARKETING AREA** \_\_\_\_\_

**PRESENT RESIDENCE ADDRESS** \_\_\_\_\_ **CITY** \_\_\_\_\_ **COUNTY** \_\_\_\_\_ **STATE** \_\_\_\_\_ **ZIP** \_\_\_\_\_ **HOW LONG IN BUSINESS THERE?** \_\_\_\_\_ **RENT/OWN** \_\_\_\_\_

**TYPE OF BUSINESS:** Sole Proprietorship \_\_\_\_\_ \*Partnership \_\_\_\_\_ \*Corporation \_\_\_\_\_  
**PRINCIPALS:** NAME: \_\_\_\_\_ ADDRESSES: \_\_\_\_\_ SPOUSES NAMES: \_\_\_\_\_

**DESCRIPTION OF BUSINESS ACTIVITY:** \_\_\_\_\_

**PURPOSE OF LOAN:** \_\_\_\_\_

**COLLATERAL TO BE OFFERED** \_\_\_\_\_

**TYPES OF JOBS TO BE CREATED:** \_\_\_\_\_ **NO. FULL TIME:** \_\_\_\_\_ **NO. PART TIME:** \_\_\_\_\_

**IF YOUR BUSINESS IS ALREADY ESTABLISHED:**

**EMPLOYER I.D. NO.** \_\_\_\_\_ **START UP? (UNDER 6 MOS)** \_\_\_\_\_ **EXISTING (OVER 6 MOS)** \_\_\_\_\_ **DATE ESTAB.** \_\_\_\_\_

**SBA DEMOGRAPHIC INFORMATION**

**BUSINESS OWNED BY** FEMALE \_\_\_\_\_ MALE \_\_\_\_\_ JOINTLY \_\_\_\_\_  
**VETERAN STATUS:** NON-VET \_\_\_\_\_ VIET-NAM ERA \_\_\_\_\_ OTHER VET \_\_\_\_\_  
**RACE/ETHNICITY:** WHITE \_\_\_\_\_ BLACK \_\_\_\_\_ NATIVE AMERICAN \_\_\_\_\_ HISPANIC \_\_\_\_\_  
ESKIMO OR ELEUT \_\_\_\_\_ PUERTO RICAN \_\_\_\_\_ ASIAN OR PACIFIC IS \_\_\_\_\_ MULTI-GROUP \_\_\_\_\_

**SIGNATURE OF APPLICANT(S):** \_\_\_\_\_ **Date:** \_\_\_\_\_

\*\*\*\*\***REQUIRED DOCUMENTATION**\*\*\*\*\*

- THE FOLLOWING DOCUMENTS ARE REQUIRED: \_\_\_\_\_ A FIRST YEAR CASH FLOW PROJECTION (PRESUMING THIS LOAN)  
\_\_\_\_\_  
COPY OF YOUR BUSINESS PLAN (FREE HELP WITH YOUR PLAN IS AVAILABLE: SEE LIST IN LOAN BROCHURE)  
\_\_\_\_\_  
YOUR PERSONAL FEDERAL INCOME TAX RETURNS FOR THE PAST THREE YEARS  
\_\_\_\_\_  
BUSINESS FEDERAL TAX RETURNS FOR THE PAST THREE YEARS (IF AVAILABLE)  
\_\_\_\_\_  
PROFIT AND LOSS STATEMENT (IF AVAILABLE) \_\_\_\_\_ BALANCE SHEET (IF AVAILABLE)

*\*If the business is a corporation, you must enclose a copy of your state acknowledgement of articles on incorporation*

*\*If the business is a partnership, you must provide a copy of your Partnership Agreement*

**NOTES:**

If you plan to offer collateral, documentation must be available to demonstrate ownership

**TECHNICAL ASSISTANCE: (TO BE COMPLETED BY TECHNICAL ASSISTANCE PROVIDER)**

/\_\_\_/ Business Plan Assistance Hrs. \_\_\_\_\_ /\_\_\_/ Peer Group Training \_\_\_\_\_ /\_\_\_/ Classroom Instruction Hrs \_\_\_\_\_  
/\_\_\_/ One-on-One Counseling Hrs. \_\_\_\_\_ /\_\_\_/ Related Issues Assistance Hrs. \_\_\_\_\_ (attached) /\_\_\_/ Other-Describe Hrs. \_\_\_\_\_

PRINTED NAME OF APPLICANT(S): \_\_\_\_\_

SIGNATURE OF APPLICANT(S): \_\_\_\_\_ Date: \_\_\_\_\_

If Statement is for both husband and wife, check here  and sign here: \_\_\_\_\_

BUSINESS INFORMATION		INCOME INFORMATION	
PRESENT EMPLOYER	Name of Employer	Salary	\$
	Address	Bonus	\$
	Name of Supervisor	Other	\$
	Telephone (With Area Code)	Other	\$
	Years There Position	Other	\$
PREVIOUS EMPLOYER	Name of Employer	CHECKING ACCOUNT-- Name of Bank:	BALANCE
	Address		
	Years There Position Telephone:	SAVINGS ACCOUNT-- Name of Bank:	BALANCE
SPOUSE'S EMPLOYER	Name of Employer		\$
	Address	SAVINGS ACCOUNT-- Name of Bank:	BALANCE
	Telephone (With Area Code)		\$

ASSETS		LIABILITIES AND NET WORTH	
Cash and Money on Deposit	\$	Loans Outstanding	\$
Stocks and Bonds	\$	Margin Accounts	\$
Notes Receivable	\$	Credit Cards, Etc.	\$
Cash Value Life Insurance - See Schedule B	\$	Life Insurance Loans	\$
Deferred Compensation	\$	Unpaid Taxes	\$
Pension Funds	\$	Real Estate Owned	\$
Real Estate Owned - Residence - Other	\$	Real Estate Other	\$
Real Estate Owned - Residence - Other	\$	Consumer Loans	\$
Vehicles Owned:	\$	Other Debts (itemize):	\$
	\$		\$
Other Personal Property	\$	Total Liabilities	\$
Other Assets	\$	Net Worth	\$
TOTAL ASSETS	\$	Total Liabilities and Net Worth	\$

LEASES OR OBLIGATIONS	\$	ARE ANY OF THESE ASSETS PLEDGED?	<input type="checkbox"/> YES <input type="checkbox"/> NO
ARE YOU MORE THAN 60 DAYS IN ARREARS IN YOUR CHILD SUPPORT PAYMENTS?	<input type="checkbox"/> YES <input type="checkbox"/> NO	ARE THERE ANY LIENS AGAINST YOU OR YOUR PROPERTY?	<input type="checkbox"/> YES <input type="checkbox"/> NO
LEGAL CLAIMS	\$	ARE YOU A DEFENDANT IN ANY SUITS OR ACTIONS?	<input type="checkbox"/> YES <input type="checkbox"/> NO
PROVISION FOR FEDERAL INCOME TAX CLAIM	\$		
OTHER SPECIAL DEBT	\$	ARE THERE ANY JUDGMENTS UNSATISFIED AGAINST YOU?	<input type="checkbox"/> YES <input type="checkbox"/> NO

OUTSTANDING DEBTS (List all obligations including installment loans, mortgages, credit cards, etc)					
CREDITOR	DEBT TYPE OR ACCOUNT NO.	NAME(S) IN WHICH ACCOUNT IS CARRIED	ORIGINAL DEBT	PRESENT BALANCE	MONTHLY PAYMENT
(1) (Landlord or Mortgage Holder)	<input type="checkbox"/> Rent <input type="checkbox"/> Mortgage	Market Value \$	\$	\$	\$
(2) Automobile	Year Make		\$	\$	\$
(3) Automobile	Year Make		\$	\$	\$
(4)			\$	\$	\$
(5)			\$	\$	\$
(6)			\$	\$	\$
Total Debts			\$	\$	\$

REAL ESTATE OWNED	
LOCATION & DESCRIPTION OF PROPERTY AND IMPROVEMENTS	TITLE IN NAME (exact) OF:
(A)	
(B)	
(C)	

MORTGAGE					
COST	PRESENT VALUE	MORTGAGEE	CURRENT BALANCE	MATURITY	TOTAL MO. PMT.
(A)					
(B)					
(C)					

ARE YOU A CO-MAKER, ENDORSER, OR GUARANTOR ON ANY LOANS OR CONTRACTS?  YES IF "YES", FOR WHOM?  NO TO WHOM?

HAVE YOU DECLARED BANKRUPTCY IN THE LAST 7 YEARS?  YES IF "YES" WHERE?  NO

IF ADDITIONAL SPACE IS NEEDED, USE SECOND SIGNED SHEET

PERMISSION FOR CREDIT INQUIRIES

I/We authorized the Washington County Council on Economic Development (Lender) to make whatever credit inquiries are required in support of this loan application and at any time during the loan period. I/We authorize and instruct any person or consumer reporting agency to comply and furnish to Lender any information it may have or obtain in response to such credit inquiries and agree that the same will remain Lender's property whether or not a loan is granted.

I/We recognize that we are seeking a loan from a non-profit organization composed of volunteers working to help our community. In consideration of Lender reviewing this application, we hereby expressly release, waive and discharge the Washington County Council on Economic Development and its directors, officers, employees and agents from any and all claims arising out of or related to this loan application or any loan we may or may not receive, as well as any subsequent dealings we may have with the Washington County Council on Economic Development, especially with respect to any consultation and Technical Assistance which might be provided. We understand that, without this release, the Washington County Council on Economic Development will not consider our loan request.

All information set forth in this application is declared to be a true representation of the facts for the purpose of obtaining this loan, and I/We recognize that any willful misrepresentation on this application could result in criminal action.

\_\_\_\_\_  
(Business Name)

\_\_\_\_\_  
(Borrower's Signature)

\_\_\_\_\_  
(Print Borrower's Name & Social Security No.)

\_\_\_\_\_  
(Partner or Co-signer)

\_\_\_\_\_  
(Print Partner or Co-signer's Name & S.S. No.)

\_\_\_\_\_  
\*Suretyship Signer (Print & Sign Name)

\_\_\_\_\_  
Address

\_\_\_\_\_  
Social Security No.

\_\_\_\_\_  
\*Suretyship Signer (Print & Sign Name)

\_\_\_\_\_  
Address

\_\_\_\_\_  
Social Security No.

WITNESS:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Date)

NOTE

\*Often, in order to grant an applicant the loan requested, it is necessary for WCCED to ask for a Suretyship Signer--someone who will guarantee the loan if the Borrower is unable to pay or if the collateral offered is jointly owned.

In order for us to assure ourselves that this Surety Signer has the financial substance to back the Borrower's pledge, it is necessary for us to request a credit report on the Surety Signer(s).

Therefore, if you, The Borrower, can *foresee* the need for a Surety Signer, it can measurably shorten the time to loan closing if you get their signature(s) address(s) and Social Security number(s) early in the application process, like now.

Please attach a check for \$15.00 to cover the cost of credit investigations.

Make check payable to : WCCED

Thank you

PERSONAL FINANCIAL STATEMENT

PRINTED NAME OF APPLICANT(S): JOHN E DOE AND Jane A. Doe

SIGNATURE OF APPLICANT(S): JOHN E DOE Jane A. Doe Date: 7-1-96

If Statement is for both husband and wife, check here  and sign here: \_\_\_\_\_

BUSINESS INFORMATION		INCOME INFORMATION	
PRESENT EMPLOYER	Name of Employer	Address	Salary
	Name of Supervisor	Telephone (With Area Code)	Bonus
	Years There	Position	Other
	Other	Other	Other
PREVIOUS EMPLOYER	Name of Employer	Name of Bank:	BALANCE
	Address	SAVINGS ACCOUNT - Name of Bank:	BALANCE
	Years There	Position	Telephone:
SPOUSE'S EMPLOYER	Name of Employer	Name of Bank:	BALANCE
	Address	SAVINGS ACCOUNT - Name of Bank:	BALANCE
	Telephone (With Area Code)		

SAMPLE

ASSETS		LIABILITIES AND NET WORTH	
Cash and Money on Deposit	\$ 4,200-	Loans Outstanding	\$ 9,000
Stocks and Bonds	\$ EE BONDS 300-	Margin Accounts	\$
Notes Receivable	\$ NONE	Credit Cards, Etc.	\$ 1,500
Cash Value Life Insurance - See Schedule B	\$ 2,000-	Life Insurance Loans	\$
Deferred Compensation	\$ NONE	Unpaid Taxes	\$
Pension Funds	\$ IRA 12,000-	Real Estate Owned	\$ 15,000
Real Estate Owned - Residence - Other	\$ 75,000-	Real Estate Other	\$
Real Estate Owned - Residence - Other	\$ NONE	Consumer Loans	\$
Vehicles Owned:	\$ 91 Ford PIU 12,000	Other Debts (itemize):	\$ 12,000
	\$	MILLING MACHINE	\$
Other Personal Property	\$ HOME FURNISH 20,000	Total Liabilities	\$ 37,500
Other Assets	\$ 100% OWNERSHIP-DOE'S SHOP 50,000	Net Worth	\$ 138,000
TOTAL ASSETS	\$ 175,000	Total Liabilities and Net Worth	\$ 175,500

LEASES OR OBLIGATIONS	\$ NONE	ARE ANY OF THESE ASSETS PLEDGED?	HOUSE TRUCK YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
ARE YOU MORE THAN 60 DAYS IN ARREARS IN YOUR CHILD SUPPORT PAYMENTS?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	ARE THERE ANY LIENS AGAINST YOU OR YOUR PROPERTY?	\$ MILLING MACHINE <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
LEGAL CLAIMS	\$ NONE	ARE YOU A DEFENDANT IN ANY SUITS OR ACTIONS?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
PROVISION FOR FEDERAL INCOME TAX CLAIM	\$ NONE	ARE THERE ANY JUDGMENTS UNSATISFIED AGAINST YOU?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
OTHER SPECIAL DEBT	\$ NONE		

OUTSTANDING DEBTS (List all obligations including installment loans, mortgages, credit cards, etc)					
CREDITOR	DEBT TYPE OR ACCOUNT NO.	NAME(S) IN WHICH ACCOUNT IS CARRIED	ORIGINAL DEBT	PRESENT BALANCE	MONTHLY PAYMENT
(1) Landlord or Mortgage Holder	<input type="checkbox"/> Rent <input checked="" type="checkbox"/> Mortgage	Market Value \$			
FIRST NAT'L BANK		JOINT 75,000	\$ 40,000	\$ 15,000	\$ 300
(2) Automobile	Year 91 Make FORD	JOHN E. DOE	\$	\$ 9,000	\$ 350
(3) Automobile	Year 89 Make FORD	JANE A. DOE	\$	\$ 0	\$ 0
(4) FIRST NAT'L BANK	MACHINERY	JOHN E. DOE	\$ 15,000	\$ 12,000	\$ 312
(5)			\$	\$	\$
(6)			\$	\$	\$
Total Debts			\$ 55,000	\$ 36,000	\$ 962

REAL ESTATE OWNED	
LOCATION & DESCRIPTION OF PROPERTY AND IMPROVEMENTS	TITLE IN NAME (exact) OF:
(A) 150 ELM ST 6 ROOMS + BATH	JOHN + MARY A DOE
(B)	
(C)	

MORTGAGE					
COST	PRESENT VALUE	MORTGAGEE	CURRENT BALANCE	MATURITY	TOTAL MO. PAYMENT
(A) 40,000	75,000	FIRST NAT'L BANK	15,000		300
(B)					
(C)					

ARE YOU A CO-MAKER, ENDORSER, OR GUARANTOR ON ANY LOANS OR CONTRACTS?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	IF "YES", FOR WHOM?	TO WHOM?
HAVE YOU DECLARED BANKRUPTCY IN THE LAST 7 YEARS?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	IF "YES" WHERE?	

IF ADDITIONAL SPACE IS NEEDED, USE SECOND SIGNED SHEET

[ This Appendix came as a part of the U.S. SBA Guidelines for the Microloan Demonstration program. It has been included here for your information. ]

APPENDIX B: TYPE OF BUSINESS GUIDELINES

1. Non-profit organizations are ineligible to receive microloans except those qualified as sheltered workshops and operated in the interest of workers with disabilities. For profit businesses owned by non-profit organizations are eligible.
2. A cooperative is eligible when itself is small and when it carries on business activities for the financial benefit of its members who are otherwise eligible small business concerns. Consumer and marketing cooperatives are ineligible.
3. Businesses dealing with the creation, origination, expression or distribution of ideas, values, thoughts, or opinions are ineligible. Specialty stores primarily engaged in selling products that promote or advocate ideas are ineligible. Specialized delivery distribution or transportation concerns limiting themselves to distribution of ineligible materials are also ineligible.
4. Any Cable TV system broadcasting live station(s) or selecting which programs are to be transmitted is eligible.
5. Academic schools are ineligible. However, technical, secretarial, vocational, and trade schools are eligible. Nurseries, kindergartens and pre-schools are eligible provided they are not primarily (50% or more of the time) engaged in teaching academic subjects or ideology.
6. Floor Planning concerns are ineligible.
7. Gambling concerns are ineligible. However, otherwise eligible small business concerns which derive less than one-third of their income from the following are eligible:
  - a. Income or commissions derived from the sale of official state lottery tickets under a state license.
  - b. Gambling is licensed and supervised by state authority in those states where such activities are legal.
8. Concerns involved in speculation of any type (including Real Estate) are ineligible with the exception of a business such as a grain elevator that hedges in futures commodity trading in the course of ordinary operations to protect itself from price fluctuations is not presumed to be engaged in speculative activity.
9. Concerns primarily engaged in lending or investments are ineligible with the exception of pawn shops that derive a minimum of 50% of their income from the sale of merchandise rather than the interest on loans.
10. Loans may not be made where the effect will either tend to encourage a monopoly or be inconsistent with accepted standards of freely competitive enterprise.
11. Pyramid sales distribution plans are ineligible.
12. Loans to applicants engaged in illegal activities or production, servicing or distribution of illegal products are ineligible. In addition, applicants currently incarcerated, on probation, or on parole or who have criminal cases pending against them are not eligible. Applicants whose probation or parole has been lifted solely because it is an impediment to obtaining a loan are ineligible.

Detailed information regarding type of eligible and ineligible business can be found in 13 Code of Federal Regulations (CFR), part 120, Section 120.101.2.



College of Business and Economics

**West Virginia University**

Small Business Development Center

There are many good outlines of what should be in a Business Plan. We are indebted to Sharon Stratton of Fairmont College's Small Business Development Center, West Virginia University Office, for permission to use this one.

### *Business Plan Highlights*

## **The Winning Business Plan**

A good business plan forces you to carefully think through every aspect of the business. There are five key elements in a business plan, each describing a major part of the business. The written plan should be concise and to the point.

### **\* Describe the business**

Give a description of the business that explains the nature of the business and its activities. Convey your vision of the business and describe how it will grow and profit. Describe your product or service, location, size, square footage, and inventory requirements such as storage space. Also give industry trends and growth potential.

### **\* Marketing**

Identify your target market (your potential customers). What is the size of the group? If there are segments or divisions of the target market, describe them. State your sales strategy, pricing policy, promotional ideas, and advertising campaign. If you plan to offer customer service, explain. This could include guarantees, warranties, repairs, special services, delivery and installations. Sample promotional material could be included in this section.

Competitive analysis is necessary to evaluate the business playing field and identify a niche for your product or service. List your four major competitors by name. Describe their strengths and weaknesses. How will you compete against established businesses? State your competitive advantage. Can you deliver a higher or better quality service than your competitors?

### **\* Management**

Discuss the ownership of the business and the legal structure. Include legal agreements as articles of incorporation, or partnership agreements. List the skills and experience you bring to the business, especially management experience. Include a resume. Explain how the business will be managed on a day-to-day basis. Discuss insurance, lease, or rent agreements. How will your business records be maintained? How will you compensate yourself? List business consultants.

### **\* Personnel**

Explain the personnel needed to run the business. List job titles, duties and wages. Discuss how you will hire your employees and explain personnel procedures. List benefits such as group health insurance and the costs.

### **\* Finance.**

Complete the Personal Financial Statement that details your **assets** (what you own) and your **liabilities** (who you owe). The difference between the two is your **net worth**. Do you have a good credit history as indicated by your credit report? Explain how much money you will be investing in the business. What is the total amount needed to start the business? List all collateral you will be willing to pledge as security against the loan.

Develop a monthly operating budget for the first year. Necessary financial statements include a beginning balance sheet, monthly cash flow statements, income statement, and a balance sheet at the end of year one. These projected financial statements for 12 months are required. Include a page of information explaining the assumptions used in creating the financial statements. Request the exact loan amount you will need to achieve your purpose and explain how it will be spent. Does the business have sufficient cash flow to make monthly payments on the loan?

\* In order to complete the presentation of the business plan, add a one page summary and a cover page. The cover page should include the name of the owners, address and phone number, as well as the company name. Next, assemble your plan in the following order: Cover page, Summary, Description, Marketing, Management, Personnel, and Finance.

## SUGGESTED OUTLINE OF BUSINESS PLAN

- **Cover Sheet** (name of business, name of principals, address and phone number)
- **Statement of Purpose**
- **Table of Contents**

### I. The Business

- |                            |   |
|----------------------------|---|
| A. Description of Business | F. Personnel  |
| B. Market                  | G. Application and Expected Effect of Loan<br>(if needed) |
| C. Competition             | H. Summary  |
| D. Location of Business    |   |
| E. Management              |   |

### II. Financial Data

- A. Sources of Applications of Funding
- B. Capital Equipment List
- C. Balance Sheet
- D. Break-Even Analysis
- E. Income Projections (Profit & Loss Statements)
  - 1. Three-year summary
  - 2. Detail by month for first year
  - 3. Detail by quarter for second and third years
  - 4. Notes of explanation
- F. Pro-Forma Cash Flow
  - 1. Detail by month for first year
  - 2. Detail by quarter for second and third years
  - 3. Notes of explanation
- G. Historical Financial Reports of Existing Business
  - 1. Balance sheets for past three years
  - 2. Income statements for past three years

### III. Supporting Documents

Personal resumés, personal financial requirements and statements, cost of living budget, credit reports, letters of reference, job descriptions, letters of intent, copies of loans, contracts, legal documents and anything else of relevance to the plan.

# SAMPLE FORMAT FIRST YEAR'S PROJECTION

COMPANY: \_\_\_\_\_

MONTHLY CASH FLOW PROJECTION \_\_\_\_\_ YEAR

(Date filled out)

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
1. CASH ON HAND													
2. GROSS RECEIPTS													
a. Sales													
b. Services													
TOTAL GROSS RECEIPTS													
3. TOTAL CASH AVAILABLE													
4. CASH PAID OUT													
Cost of Materials													
OPERATING EXPENSES													
a. Wages													
b. Payroll Taxes													
c. Advertising													
d. Insurance													
e. Legal													
f. Accounting													
g. Vehicle													
h. Utilities													
i. Office Supplies													
j. Maintenance													
k. Licenses													
l. Telephone													
m. Miscellaneous													
n. Loan Interest*													
o. Depreciation													
5. TOTAL EXPENSES													
Net Income (Loss)													
Less:													
a. Loan Principal*													
b. Owner's Draw													
6. TOTAL CASH PAID OUT													
Add Depreciation													
7. CASH POSITION													

\*Initial Loan Amount: \_\_\_\_\_ Term: \_\_\_\_\_ mos Interest \_\_\_\_\_ %

**Loan Request Certification Form**

Washington County Council on  
Economic Development  
40 South Main Street; Lower Level  
Washington, PA 15301

**RE: APPLICATION**

I hereby certify that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in my community area.

WCCED's participation in my proposed project is essential in finalizing my overall package.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Applicant