



Business Plan

A practical guide to help you develop a business plan



Community Business
Development Corporation

1-888-303-2232 • cbdc.ca •   



- This document is also available in French
- An MS Excel file containing all relevant Financial Statements related to this guide can be downloaded from www.cbdczone.cbdc.ca

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Getting Started

There are many ways to start a small business but each approach shares common elements you need to consider.

Time

How much time do you have to develop your business idea? By allowing yourself enough time, you will likely avoid mistakes that could prove costly.

Money

How much money is at your disposal? Most entrepreneurs discover their businesses require more capital than originally anticipated. The need for adequate financing varies from business to business. You should ensure that you have access to enough money to allow for all possible contingencies so that you don't have cash flow problems or miss opportunities.

Expertise

Do you have the knowledge and skills required to make a success of this business? If not, it may be worthwhile to take some courses or work in the industry until you gain the knowledge you need.

Risk Tolerance

How much risk is involved? You need to honestly assess your personality and finances to determine how much risk you can tolerate. This may rule out some high-risk opportunities.

Financial Return

Can you make a living from this business? Some people go into business without a clear idea of just how profitable the venture will be. Take the time to determine if your business revenues will justify your effort and provide you with the income you need.

Enjoyment

Will you enjoy the business? This is a major consideration, especially since owning a small business is often difficult and involves long hours. There will be challenges and rough spots. You will need substantial commitment and self-sacrifice in the months that lie ahead.

Family Considerations

Will this new business adversely affect your family? Substantial sacrifices in time and money are required in the early stages of any business. You need to determine whether your savings or profits from the business will provide you and your family with an adequate standard of living especially in the early stages of the business. You will also need to find out how committed your family is to the business. For example, will they be able to cope with the extra hours needed to get a small business up and running?

Professional Guidance

Finally, getting started means starting out right. It is important to realize before you start out that there are many important decisions to be made involving legal and taxation issues, insurance, finance, bookkeeping and accounting, hiring employees, etc. These can often be complicated and difficult to address without specialized expertise. Consequently, you should consult professionals such as: lawyers, accountants, insurance brokers, professional or accredited financial planners, bankers and government agents to get the best possible advice and to avoid mistakes that may come back to haunt you later on.

Studying the Market

The first thing you need to do when thinking about starting a new business is to determine whether you can make a success of it. This means asking tough questions about the potential demand for your products, how much you can charge and whether payback will be sufficient to make it worth your while.

This information is provided by a marketing plan.

Although each marketing study is different because every business is different, most seek to answer the following questions:

- What is the market potential for my product or service?
- Who will my customers be? How many units can I sell? How much can I charge?
- Who will my suppliers be and how much will they charge? What credit terms are they likely to offer?
- Who are my competitors and what competitive advantages do I possess?
- How will I get my goods to market and how expensive will this be?
- Will this business produce a large enough profit to justify the sacrifices which will be required?

Armed with answers to these questions and a properly laid out marketing plan, you will be in a much better position to determine the viability of your idea.

Getting the information for such a plan is often quite easy. For instance, one possible technique is to interview potential customers or those already in the industry. Trade and industry associations can also be helpful since they possess in-depth information about their industries.

Many publications and databases can help you assess the potential of industries and markets. (A visit to your local CBDC is a good first step in getting this information).

These plans are dynamic and are only helpful if they change as your business changes. Rather than prepare a marketing plan and file it away in your desk drawer, you should re-examine your plan from time to time in the light of new developments and make the necessary changes. Your marketing plan will then guide and support your efforts on a continual basis.



Planning a Business

Once you have completed your marketing study, you can use it as the starting point for developing one of the most important foundations of any business - the business plan.

Business plans contribute to the future success of a business in several ways. They are necessary when seeking loans; they help you measure progress; and they tell you where you are going and how to get there.

A business plan usually includes a description of your business and the industry in which it will function including suppliers, customers and competitors, the products and services you will provide, your price schedules, sales, and your marketing and production plans.

You will also need to outline the opportunities and threats facing your business, the resources you will require, your expansion plans, and current and projected financial statements.

Planning for the Future

Planning is critical, not only in the early stages of business, but also as your business starts to grow. Continuous planning is necessary to help you avoid some of the pitfalls which often accompany expansion.

One plan you must consider is human resource planning - the hiring and management of employees. You need to consider how you will find employees with the skills and training needed to make your business a success.

You need to be aware of the many legal, regulatory and tax requirements related to having employees on your payroll. Some of these fall under provincial jurisdiction and include employment standards, minimum wages, workers' compensation, and occupational health and safety.

Others fall under federal jurisdiction and include Employment Insurance, Canada Pension Plan and Income Tax. For further information, you should contact the appropriate provincial and federal

government departments or professionals such as a lawyer or accountant.

Business planning is a continuous process. No business stays the same for long. Therefore, you need to revise your plan periodically to allow for changing circumstances. This will let your business plan continue to work for you. The process of rethinking the plan will force you to develop new ways of looking at your business and its environment. This may provide you with new ways of increasing revenues or cutting costs.





The Business Plan



Business Plan

A. Introduction

1. **Name of Company:** _____ **Contact Number:** _____

Name of Applicant: _____

(Please provide photo identification with your application)

2. **Is this a new or existing business?**

New Existing Date business established: _____

3. **Type of Operation:**

Manufacturing Wholesale/Retail
 Agriculture Construction
 Aquaculture / Fishing Transportation
 Forestry Mining
 Tourism Other (Specify) _____

4. **Mailing Address:** _____

Postal Code: _____

5. **Telephone Numbers:** Residence: _____ Cell: _____

Fax: _____ E-mail: _____

6. **Proposed location of business:** _____

7. **Legal Form of Business:**

Incorporated Sole Proprietorship
 Partnership Co-operative
 To be incorporated

8. **Date Incorporated:** _____

B. Ownership and Management

1. List of Directors/Shareholders/Key Staff: (Please attach detailed resumes)

| Name | Position | Years in Business | Shares Held (%) |
|------|----------|-------------------|-----------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

2. Explain the duties and responsibilities of management and key staff.

C. Financial / Legal / Technical

| 1. | Name: | Phone Number: |
|---------------------------------------|-------|---------------|
| (a) Banker Line of Credit \$ _____ | _____ | _____ |
| (b) Accountant | _____ | _____ |
| (c) Legal Advisor | _____ | _____ |
| (d) Insurance Co. / Agent | _____ | _____ |
| (e) Fiscal Year End | _____ | _____ |

D. Project Description

1. Briefly describe your business:

2. List the estimated dates for the acquisition of equipment, inventory, staffing, financing, and other items needed before you can commence your project.

| Item | Estimated date of acquisition |
|-------|-------------------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Date construction will begin: _____

Date operations will commence: _____

E. Financial

1. Use of Funds:

| | |
|------------------------|-----------------|
| Land | \$ _____ |
| Building | \$ _____ |
| Equipment | \$ _____ |
| Vehicles | \$ _____ |
| Leasehold Improvements | \$ _____ |
| Inventory | \$ _____ |
| Working Capital | \$ _____ |
| Miscellaneous | \$ _____ |
| Total | \$ _____ |

Source of Funds:

| | |
|-----------------------|-----------------|
| CBDC | \$ _____ |
| Bank/ Credit Union | \$ _____ |
| Provincial Government | \$ _____ |
| BDC | \$ _____ |
| ACOA | \$ _____ |
| Other: | \$ _____ |
| Other: | \$ _____ |
| Owner's Contribution | \$ _____ |
| Total | \$ _____ |

Have you ever applied for or received previous assistance from the Federal or the Provincial government? If yes, please describe.

2. Have any of the assets contributed been pledged as security?

Yes No

If **yes**, to whom? For what purpose?

3. Will any part of the owner's contribution be borrowed?

Yes No

If yes, from whom? _____

Security given: _____

Terms: _____ Interest Rate: _____

4. Please answer the following questions:

a. Have you ever been or are you in the process of applying for protection under the Bankruptcy Act?

Yes No

b. Have you ever been sued or been the subject of an originating notice?

Yes No

c. Are you presently the Guarantor for any loan?

Yes No

d. Are you or the business in tax arrears to CRA? (HST and Source Deductions)

Yes No

If you answered yes to any of the above, please provide details in the space provided.

5. Provide quotations for the purchase price of any assets being considered as part of this financing request.

F. Market Summary

1. Product / Service

Applicants should list each product or service if more than one is provided. Provide as much detail as possible about the product or service. If a similar product or service exists in your trading area, describe any advantages your business may have (i.e. pricing, supply of raw materials, transportation, etc).

2. Is your business seasonal?

Yes No

3. Hours of Operation: _____

4. Will the business be extending credit? At what terms?

5. Typical Customers

Age range

- Under 12 years old
- 12-17 years old
- 18-24 years old
- 25-34 years old
- 35-44 years old
- 45-54 years old
- 55-64 years old
- 65-74 years old
- 75 years or older

Income range

- less than \$ 24,999
- \$ 25,000 to \$ 49,999
- \$ 50,000 to \$ 99,999
- \$ 100,000 or more

Will your clients be other businesses or the general public? If other businesses, name them. Do you have letters of intent? (Provide letters of intent where possible.)

6. Trading Area

Will all your business be generated within your local community or will your business draw customers from surrounding communities? Explain.

7. Existing Business Competition

Who are your competitors, where are they located, and how long have they been in business? Strengths and Weaknesses?

8. Market Justification

Why do you feel the identified trading area can support your proposed project?

9. Advertising / Promotion

How do you propose to advertise your product/service? Identify the cost of doing so.

10. Basis of projection

Was this market information obtained from a similar type of operation, or on the basis of industry norms, or some other method? Explain.

G. Personnel Requirements

1. List details of new employment to be created.

FullTime _____ PartTime _____ Seasonal _____

2. If this is an existing business please list the details of existing employment.

Full-time _____

Part-time _____

3. Management

Identify the specific duties of key management personnel with regards to areas such as sales, marketing, bookkeeping, etc. List any previous experience which may be beneficial to this business.

IMPORTANT: *Have you received the necessary permits or reviewed your submission with the appropriate regulatory agency(i.e. Department of Health, Fire Marshal, Municipal Development Department, Social Services, Forestry, Fisheries, Environment, Tourism, etc.)? Please provide copies of any permits required.*

H. Financial Information

1. Historical Financial Statements:

Enclose statement for the last three years of operation

2. Pro-Forma Financial Statements:

- a. **Balance Sheet** –Yearly for three years
- b. **Income Statement** –Yearly for three years
- c. **Statement of Cash Flow** – Projected on a monthly basis for the 1st two years of operations
- d. **Sales necessary to break-even**
- e. If sole proprietor please include your personal income tax notice of assessment for the past three years

I. Forecast Assumptions

Sales: (Explain how you arrived at sales figures: i.e. percentage of total market, number of units sold, selling price, sales by unit of time – week, month, year, etc.)

Material Costs: (Related directly to number of units sold)

Salaries / Wages and Benefits: (Please list owner’s salary/wage separately)

Other expenses: (State the basis for amounts shown in each of these expense categories and whether they are estimates or quoted costs. Ensure your interest and bank charges reflect the proposed debt included in your loan application.)

Other income: (Clearly explain any items in this area and state whether they are extraordinary or ongoing.)

Drawings / Taxes: (If the business is not incorporated, ensure you include the total amount of cash withdrawals by the proprietor or all partners. Also allow for taxes on profits earned.)

Prepare Cash Flow for 12-month period

| Month 1 | Month 2 | Month 3 | Month 4 | Month 5 |
|------------|------------|------------|------------|------------|
|------------|------------|------------|------------|------------|

CASH INFLOW

| | | | | | |
|---------------------------------------|--|--|--|--|--|
| Opening Balance | | | | | |
| Estimated Sales-Services | | | | | |
| Clients Contribution | | | | | |
| Estimated Sales-Retail | | | | | |
| Other | | | | | |
| CASH RECEIVED FROM SALES | | | | | |
| Owner Contributed | | | | | |
| Bank | | | | | |
| CBDC | | | | | |
| Total Other Cash Inflow | | | | | |
| (A) TOTAL CASH INFLOW | | | | | |
| CASH OUTFLOW | | | | | |
| (B) Inventory Costs | | | | | |
| General Expenses | | | | | |
| Professional Fees | | | | | |
| Advertising | | | | | |
| Bank Service Charges | | | | | |
| Insurance | | | | | |
| Office Supplies | | | | | |
| Owners Salary | | | | | |
| Rent | | | | | |
| Royalties | | | | | |
| Telephone & Internet | | | | | |
| Utilities | | | | | |
| Repairs & Maintenance | | | | | |
| Travel | | | | | |
| Equipment | | | | | |
| Vehicle | | | | | |
| Wages and Benefits | | | | | |
| Other | | | | | |
| (C) TOTAL GENERAL EXPENSES | | | | | |
| Other disbursements | | | | | |
| Start-up Costs | | | | | |
| Loan A - Interest Payment | | | | | |
| Loan A - Principal Payment | | | | | |
| Income Tax (estimated at 25%) | | | | | |
| (D) TOTAL OTHER DISBURSEMENTS | | | | | |
| (E) TOTAL CASH OUTFLOW (B+C+D) | | | | | |
| (F) NET CASHFLOW (A-E) | | | | | |
| (G) CASH FROM PREVIOUS PERIOD | | | | | |
| (J) CUMULATIVE CASHFLOW (F+G) | | | | | |

Prepare Cash Flow for 12-month period

| Month 1 | Month 2 | Month 3 | Month 4 | Month 5 |
|------------|------------|------------|------------|------------|
|------------|------------|------------|------------|------------|

CASH INFLOW

| | | | | | |
|---------------------------------------|--|--|--|--|--|
| Opening Balance | | | | | |
| Estimated Sales-Services | | | | | |
| Clients Contribution | | | | | |
| Estimated Sales-Retail | | | | | |
| Other | | | | | |
| CASH RECEIVED FROM SALES | | | | | |
| Owner Contributed | | | | | |
| Bank | | | | | |
| CBDC | | | | | |
| Total Other Cash Inflow | | | | | |
| (A) TOTAL CASH INFLOW | | | | | |
| CASH OUTFLOW | | | | | |
| (B) Inventory Costs | | | | | |
| General Expenses | | | | | |
| Professional Fees | | | | | |
| Advertising | | | | | |
| Bank Service Charges | | | | | |
| Insurance | | | | | |
| Office Supplies | | | | | |
| Owners Salary | | | | | |
| Rent | | | | | |
| Royalties | | | | | |
| Telephone & Internet | | | | | |
| Utilities | | | | | |
| Repairs & Maintenance | | | | | |
| Travel | | | | | |
| Equipment | | | | | |
| Vehicle | | | | | |
| Wages and Benefits | | | | | |
| Other | | | | | |
| (C) TOTAL GENERAL EXPENSES | | | | | |
| Other disbursements | | | | | |
| Start-up Costs | | | | | |
| Loan A - Interest Payment | | | | | |
| Loan A - Principal Payment | | | | | |
| Income Tax (estimated at 25%) | | | | | |
| (D) TOTAL OTHER DISBURSEMENTS | | | | | |
| (E) TOTAL CASH OUTFLOW (B+C+D) | | | | | |
| (F) NET CASHFLOW (A-E) | | | | | |
| (G) CASH FROM PREVIOUS PERIOD | | | | | |
| (J) CUMULATIVE CASHFLOW (F+G) | | | | | |

Forecasted Income Statement

| INCOME: | YEAR ONE | YEARTWO | YEAR THREE |
|---------------------------------|-----------------|-----------------|-----------------|
| Sales | \$ _____ | \$ _____ | \$ _____ |
| Other Revenue | \$ _____ | \$ _____ | \$ _____ |
| TOTAL SALES | \$ _____ | \$ _____ | \$ _____ |
| LESS: Cost of Sales | \$ _____ | \$ _____ | \$ _____ |
| GROSS PROFIT | | | |
| (Total Sales – Cost of Sales) | \$ _____ | \$ _____ | \$ _____ |
| Expenses: | | | |
| Advertising | \$ _____ | \$ _____ | \$ _____ |
| Vehicle | \$ _____ | \$ _____ | \$ _____ |
| Office Supplies | \$ _____ | \$ _____ | \$ _____ |
| Bank Service Fees | \$ _____ | \$ _____ | \$ _____ |
| Insurance | \$ _____ | \$ _____ | \$ _____ |
| Professional Fees | \$ _____ | \$ _____ | \$ _____ |
| Rent | \$ _____ | \$ _____ | \$ _____ |
| Taxes/ Licenses | \$ _____ | \$ _____ | \$ _____ |
| Telephone | \$ _____ | \$ _____ | \$ _____ |
| Utilities | \$ _____ | \$ _____ | \$ _____ |
| Wages/ Benefits | \$ _____ | \$ _____ | \$ _____ |
| Owner's Draw | \$ _____ | \$ _____ | \$ _____ |
| Interest on Debt | \$ _____ | \$ _____ | \$ _____ |
| Depreciation | \$ _____ | \$ _____ | \$ _____ |
| Other: | \$ _____ | \$ _____ | \$ _____ |
| Other: | \$ _____ | \$ _____ | \$ _____ |
| Other: | \$ _____ | \$ _____ | \$ _____ |
| Other: | \$ _____ | \$ _____ | \$ _____ |
| Other: | \$ _____ | \$ _____ | \$ _____ |
| Other: | \$ _____ | \$ _____ | \$ _____ |
| Other: | \$ _____ | \$ _____ | \$ _____ |
| Other: | \$ _____ | \$ _____ | \$ _____ |
| TOTAL EXPENSES | \$ _____ | \$ _____ | \$ _____ |
| Net Profit (Loss) | \$ _____ | \$ _____ | \$ _____ |
| (Gross Profit – Total Expenses) | | | |

Forecasted Balance Sheet

| ASSETS: | OPENING | YEAR ONE | YEARTWO |
|--|---------------------|-----------------|-----------------|
| CURRENT ASSETS: | | | |
| Cash | \$ _____ | \$ _____ | \$ _____ |
| Accounts Receivable | \$ _____ | \$ _____ | \$ _____ |
| Inventory | \$ _____ | \$ _____ | \$ _____ |
| Prepaid Expenses | \$ _____ | \$ _____ | \$ _____ |
| Other Current Assets | \$ _____ | \$ _____ | \$ _____ |
| TOTAL CURRENT ASSETS (A) | \$ _____ | \$ _____ | \$ _____ |
| FIXED ASSETS: | | | |
| Land | \$ _____ | \$ _____ | \$ _____ |
| Building | \$ _____ | \$ _____ | \$ _____ |
| Furniture/Fixtures | \$ _____ | \$ _____ | \$ _____ |
| Vehicles | \$ _____ | \$ _____ | \$ _____ |
| Equipment | \$ _____ | \$ _____ | \$ _____ |
| Other Assets | \$ _____ | \$ _____ | \$ _____ |
| TOTAL FIXED ASSETS (B) | \$ _____ | \$ _____ | \$ _____ |
| TOTAL ASSETS (A+B) | \$ _____ | \$ _____ | \$ _____ |
| LIABILITIES: | | | |
| CURRENT LIABILITIES: | | | |
| Bank Indebtedness | \$ _____ | \$ _____ | \$ _____ |
| Accounts Payable & Accrued Liabilities | \$ _____ | \$ _____ | \$ _____ |
| Income Tax Payable | \$ _____ | \$ _____ | \$ _____ |
| Other Liabilities | \$ _____ | \$ _____ | \$ _____ |
| TOTAL CURRENT LIABILITIES (C) | \$ _____ | \$ _____ | \$ _____ |
| LONG TERM DEBT: | | | |
| Mortgages | \$ _____ | \$ _____ | \$ _____ |
| Loans from Shareholders | \$ _____ | \$ _____ | \$ _____ |
| Other Long Term Debt | \$ _____ | \$ _____ | \$ _____ |
| TOTAL LONG TERM DEBT (D) | \$ _____ | \$ _____ | \$ _____ |
| TOTAL LIABILITIES (C+D) | \$ _____ | \$ _____ | \$ _____ |
| Shareholders / Owner's Equity..... | (E) \$ _____ | \$ _____ | \$ _____ |
| Total Liabilities + Shareholders / Owner's Equity (C+D+E) | \$ _____ | \$ _____ | \$ _____ |
| NOTE: (A+B) = (C+D+E) | | | |

Security Offer

| | | | | |
|-----------------------|-----------------|-----------------|----------------|-------------------------|
| LAND | | | | |
| Location | | | | |
| Type of District | | | | |
| Zoning | | | | |
| Services | | | | |
| Dimensions | | | | |
| Purchase Price | | | | |
| Date of Purchase | | | | |
| BUILDING | | | | |
| Type | | | | |
| Dimensions (m.) | | | | |
| Area (sq. m.) | | | | |
| Basement | | | | |
| No of Stories | | | | |
| Most recent appraisal | | | | |
| EQUIPMENT | Item No. | Quantity | Model # | Date of Purchase |
| | | | | |
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| OTHER | | | | |
| Personal guarantee(s) | | | | |
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Environmental Questionnaire

LOCATION: _____

DESCRIPTION: _____

PLEASE GO THROUGH **BOTH** CHECKLISTS BELOW AND CHECK ANY ACTIVITIES THAT ARE LIKELY TO OCCUR IN THE PROPOSAL.

PART 1: CHECKLIST OF EXCLUSIONS: Is the project restricted to only the following elements or activities? (Check where appropriate)

- | | |
|---|--|
| <input type="checkbox"/> Purchase of office equipment or equipment for a plant that does not produce gas, liquid or solid emissions | <input type="checkbox"/> Productivity |
| <input type="checkbox"/> Development of technology in an existing laboratory or factory | <input type="checkbox"/> Modernization of a building (includes expansion less than 10% or installation of kitchen equipment for restaurant or inn) |
| <input type="checkbox"/> Studies (Marketing studies, feasibility studies, etc.) | <input type="checkbox"/> Construction of a building, less than 100 square meters and less than 5 metres high, more than 30 metres from a water body or the ocean |
| <input type="checkbox"/> Marketing Activities | <input type="checkbox"/> Resurfacing or paving of an existing road |
| <input type="checkbox"/> Placing a trainee or worker with an existing business | |

PART 2: CHECKLIST OF ACTIVITIES: Does the project include any of the following elements or activities? (Check where appropriate)

- | | |
|---|--|
| <input type="checkbox"/> Water or sewer or sewage treatment plant (but not hookups to existing systems) | <input type="checkbox"/> Industrial emissions to the air (but not domestic heating furnaces) |
| <input type="checkbox"/> Road construction (but not paving of existing roads) | <input type="checkbox"/> Industrial waste (liquid or solid) |
| <input type="checkbox"/> Construction of a bridge or culvert over a waterway | <input type="checkbox"/> Wharf construction |
| <input type="checkbox"/> Construction of a building, warehouse or plant or an extension greater than 10% of an existing structure | <input type="checkbox"/> Dredging, disposal of dredged material or shoreline infilling |
| <input type="checkbox"/> Construction or earth moving on steep slopes | <input type="checkbox"/> River cleanup or river improvement |
| <input type="checkbox"/> Grubbing or excavation of soils or contaminated soils | <input type="checkbox"/> Mining |
| <input type="checkbox"/> Work within 30 metres of or in a water body (pond, lake, river, stream, estuary or ocean) | <input type="checkbox"/> Ecotourism (boat tours, whale watching, canoe outfitting, adventure tourism) |
| <input type="checkbox"/> Work within 30 meters of or in a wetland (bog, fen, marsh, swamp, salt marsh) | <input type="checkbox"/> It is a linear development (road, trails, power line, pipeline, submarine cable) |
| <input type="checkbox"/> Permit from Department of Fisheries & Oceans | <input type="checkbox"/> It is adjacent to a heritage site (National or Provincial Park, wildlife refuge, historic site) |
| <input type="checkbox"/> Clearing of land | |
| <input type="checkbox"/> Construction or renovation of a laboratory | |
| <input type="checkbox"/> Storage or use of fuels, chemicals or flammable goods or decommissioning of a storage site | |

Consent to electronic mail use

I, the undersigned, consent to the CBDC's use of electronic mail to transfer or disclose my personal information, including my financial information to a third party. I understand that email is not entirely secure and that copies of my personal information may be kept by myself or the CBDC's internet service provider.

Signature: _____ Date: _____

Name (please print): _____

Summary of the CBDC Privacy Policy

The CBDCs of Atlantic Canada recognize the importance of privacy and the sensitivity of personal information. We have an obligation to keep confidential all information by which you can be identified. We are committed to protecting any personal information we hold. This Privacy Policy outlines how we manage your personal information and safeguard your privacy.

Your Privacy Rights

Since January 1, 2004, all businesses engaged in commercial activities must comply with the Personal Information Protection and Electronic Documents Act (PIPEDA). The PIPEDA confirms your rights concerning the privacy of your personal information. The CBDCs are responsible for the personal information we collect, use and disclosure to others. To ensure our accountability, the CBDCs have developed this Policy, implemented document security measures and trained our directors and staff about our policies and practices. This Policy recognizes and is in compliance with the following ten Privacy Principles set out in PIPEDA:

1. **ACCOUNTABILITY:** An organization is responsible for personal information under its control and shall designate an individual or individuals who are accountable for the organization's compliance with the following principles.
2. **IDENTIFYING PURPOSES:** The purposes for which personal information is collected shall be identified by the organization at or before the time the information is collected.
3. **CONSENT:** The knowledge and consent of the individual are required for the collection, use or disclosure of personal information, except when inappropriate.
4. **LIMITING COLLECTION:** The collection of personal information shall be limited to that which is necessary for the purposes identified by the organization. Information shall be collected by fair and lawful means.

5. **LIMITING USE, DISCLOSURE, AND RETENTION:** Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with the consent of the individual or as required by the law. Personal information shall be retained only as long as necessary for fulfilment of those purposes.
6. **ACCURACY:** Personal information shall be as accurate, complete, and up-to-date as is necessary for the purposes for which it is to be used.
7. **SAFEGUARDS:** Personal information shall be protected by security safeguards appropriate to the sensitivity of the information.
8. **OPENNESS:** An organization shall make readily available to individuals specific information about its policies and practices relating to the management of personal information.
9. **INDIVIDUAL ACCESS:** Upon request, an individual shall be informed of the existence, use and disclosure of his personal information and shall be given access to that information. An individual shall be able to challenge the accuracy and completeness of the information and have it amended as appropriate.
10. **CHALLENGING COMPLIANCE:** An individual shall be able to address a challenge concerning compliance with the above principles to the designated individual or individuals for the organization's compliance.

What personal information do we collect?

Personal information includes any information that identifies you, or by which your identity could be deduced. We need this information primarily in order to provide lending services to our clients.

Why CBDCs Need Personal Information.

CBDCs provide services and products to a wide range of clients. In doing so, we may from time to time distribute materials concerning these services and new developments relevant to your business.

Our primary purpose for collecting information is in order to assist you. Your personal information is used for purposes including, but not limited to, assistance in the preparation of business plans; business consultations; credit reviews; analysis of loan eligibility; direct payment/withdrawal; preparation of legal documents; completion of quarterly reports; assessment and determinations as to net worth; determining eligibility for various funding programs and sources, etc.

Use of Your Information

We use your personal information to provide advice and services to you, and to include you in any direct marketing activities. If you no longer have a loan with us, and tell us that you no longer wish to receive information about our services or otherwise, we will remove you from our mailing list.

How do we collect your personal information?

We collect information only by lawful and fair means and not in an unreasonably intrusive way. Wherever possible, we collect your personal information directly from you, beginning with the application for and loan and continuing throughout the life of the loan if it is approved.

Sometimes, we obtain information about you from other sources which may include:

- your bank or credit union;
- your insurance company;
- your real estate agent in a property transaction;
- government agencies or registries;
- your employer;
- your lawyer;
- your accountant;
- credit reporting agencies (Trans-Union and Equifax)
- outside Consultants.

Consent

In most cases, we will ask you to provide written consent, to allow the CBDC to collect, use, or disclose your personal information. By signing an application for a loan, we recognize this as your consent to our collecting, using and disclosing the information referred to in the Application in order to process the loan assessment. Normally, we ask for your consent in writing, but in some circumstances, we may accept your oral consent. Your consent may also be implied through your conduct with us.

Disclosure of your Personal Information

The CBDC does not disclose your personal information to any third party to enable them to market their products and services without your written consent. We are required, however, to disclose information to certain government organizations including Atlantic Canada Opportunities Agency (ACOA) and Human Resources and Skills Development Canada (HRSDC). In addition, the CBDC will disclose your personal information when:

- required or authorized by law to do so;
- you have consented to the disclosure;
- it is necessary in order to establish or collect sums owing to us;
- we engage a third party to provide administrative services to us (like computer back-up services or archival file storage);
- the information is already publicly known.

In addition, we will disclose your personal information to third parties in order to facilitate the granting of a loan. An example is a bank officer acting in connection with the loan and the security being taken to support it. In those instances, your consent will be implied by your signing the Loan Application and we will release the information unless you advise us otherwise in writing.

Retention of your Personal information

The CBDCs receive funding from the Atlantic Canada Opportunities Agency (ACOA), Human Resources Skills Development Canada (HRSDC) and certain other government organizations. The terms of our agreements with those organizations require that we maintain the information that we collect for a period of not less than 7 years from the date that an application is rejected or the loan, if granted, is repaid.

Updating Your Information

Since we use your personal information to provide services to you, it is important that the information be accurate and up-to-date. If during the course of our dealings, any of your information changes, please inform us so that we can make any necessary changes. If the CBDC holds information about you and you demonstrate that it is not accurate, complete and up-to-date, the CBDC will take reasonable steps to correct any errors.

Is My Personal Information Secure?

The CBDCs take all reasonable precautions to ensure that your personal information is kept safe from loss, unauthorized access, modification or disclosure. Among the steps taken to protect your information are:

- premises security (locked doors and secure file cabinets);
- restricted access to personal information;
- deploying technological safeguards like security software and firewalls to prevent hacking or unauthorized computer access;
- internal password and security policies.

Access to Your Personal Information

You may request access to any personal information held in your file. Summary information is also available on request. We may seek to be reimbursed for copying charges if you require copies of your personal information.

Can I be denied access to my personal information?

Your right to access your personal information is not absolute. We may be required to deny access when:

- denial of access is required or authorized by law;
- granting access would have an unreasonable impact on other people's privacy;
- the information is protected by solicitor-client privilege;
- your personal information cannot be severed from another's personal information.

If we deny your request for access to, or refuse a request to correct information, we shall explain why.

Credit Bureaus

To help us make credit decisions about clients, prevent fraud, and check the identity of new clients, we may, on occasion, request information about you from the files of consumer reporting agencies.

Communicating with Us

You should be aware that e-mail is not a 100% secure medium, and you must be aware of this when contacting us to send personal or confidential information.

Changes to this Privacy Policy

Since the CBDC regularly reviews all of its policies and procedures, we may change our Privacy Policy from time to time.

Your Privacy Practices

During the course of considering your application and any subsequent relationship between our CBDC and your business, you may provide us with personal information that is within your control. We rely on you to ensure that you have complied with the provisions of the Protection of Privacy and Electronic Documents Act and any other applicable legislation or requirements before releasing that information to us. By signing below, you are confirming that you have complied with these requirements and are authorized to provide us with the information we require.

Name: _____

Name: _____

Date: _____

Date: _____

AUTHORIZATION FOR CREDIT INFORMATION

The Community Business Development Corporation may collect credit and other financially-related information (including information related to my transaction and those of my business) about me and the business (“information”) from me and the business, from service arrangements either of us has made with or through the Community Business Development Corporation, from credit bureaus, other financial institutions, other creditors, note receivable accounts and from references either of us has provided to you;

a) The Community Business Development Corporation may use information as follows:

- To give credit bureaus, other financial institutions and other parties that the Community Business Development Corporation may deem appropriate.
- To determine my financial situation or the financial situation of the business; and
- For any purpose related to the provision of services requested from the Community Business Development Corporation. The Community Business Development Corporation may also give it to any employee or member of the Community Business Development Corporation but only as it relates to the provision of services or the management of my business account.

b) The Community Business Development Corporation may also use information for the following purposes:

- To promote the Community Business Development Corporation services to me and the business, and
- To use my social insurance number as an aid to identify me with the credit bureaus and other financial institutions for file matching purposes.

When either of us ceases to be a client of the Community Business Development Corporation, the Community Business Development Corporation may keep information in its record so long as is needed for the purpose described in (a) above.

Note:

In this Authorization for Credit Information “Business”, “us” and “our” mean the business entity whose name and / or description appear in section A of the Application for Assistance. This shall include, but not be limited to, any operating name, variation, revision or successor to the name listed in the Application for Assistance. “I”, “me”, and “my” mean the owner / partner signing the Application for Assistance.

The Application for Assistance which contains the Business Information must be signed by the authorized signing officer(s) for the Business AND by the owner / partner whose personal information is contained in the same Application for Assistance.

If the Business has more than one owner / partner, each additional owner / partner may be required to sign a separate Application.

Signature: _____

Signature: _____

Name & Title: _____

Name & Title: _____

Date: _____

Date: _____

Please list two people, not residing with you, who may be contacted for references.

1. Name: _____

Address: _____

Business: _____ Telephone: _____

2. Name: _____

Address: _____

Business: _____ Telephone: _____

APPLICANT'S DECLARATION

I, the undersigned, declare that all the above information is true, correct and complete with no material facts known to me omitted and that I am an authorized agent of the business applying for assistance, and have not been able to obtain the requested funding from conventional lenders at reasonable terms.

Signature: _____

Name: _____

Date: _____



PERSONAL BALANCE SHEET / APPLICATION FOR FINANCING

| | | | | | | |
|---|-----------------|--|-------------------------|---|--|-----------------|
| In which official language do you prefer to receive correspondence? <input type="checkbox"/> English <input type="checkbox"/> French | | | | | Date of application: | |
| Have you approached your financial institution to obtain financing on reasonable terms and conditions? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | | |
| If yes, where? | | What is the status? 1. Pending 2. Turned down 3. Approved 4. Conditional | | | | |
| Purpose of Loan | | Amount of Loan Requested | | Term Required | Applying under the following program(s): <input type="checkbox"/> Youth Loan <input type="checkbox"/> General Business Loan <input type="checkbox"/> Innovation Loan <input type="checkbox"/> First-Time Entrepreneur Loan <input type="checkbox"/> Social Enterprise Loan | |
| Last Name | First Name | Middle Name(s) | Social Insurance Number | | Date of Birth | |
| Phone Number () () | Home () () | Business () () | Cellular () () | Fax () () | Email | |
| Home Address (Street) | | | (City) | (Postal Code) | <input type="checkbox"/> Own <input type="checkbox"/> Rent \$ | |
| How long at this address? | | | Yrs: | Mos: | Name, Address and Tel. of landlord (if renting) | |
| Previous Address (if less than 3 yrs at present address) | | | | | | |
| Present Employer | | Address | | Job Status: 1 Permanent 2 Temporary 3 Seasonal Worker 4 Part Time 5 No Job | | |
| Job Title | | Description | | Phone | Since | Salary |
| Previous Employer (if less than 3 yrs with present) | | Address | | Job Status: 1 Permanent 2 Temporary 3 Seasonal Worker 4 Part Time 5 No Job | | |
| Job Title | | Description | | Phone | Since | Salary |
| Other sources of income: | | Amount per year: \$ per month: \$ | | Details: | | |
| Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed <input type="checkbox"/> Single <input type="checkbox"/> Separated <input type="checkbox"/> Common Law | | | | Number of dependants (Excluding Spouse) | | |
| Spouse's Surname | | Spouse's first and middle name(s) | | Social Insurance Number | | Date of Birth |
| Spouse's Employer | | Address | | Phone | Since | Salary |
| Phone # | Job Title | Description | | Job Status: 1 Permanent 2 Temporary 3 Seasonal Worker 4 Part Time 5 No Job | | |
| IF MARRIED OR COMMON LAW INCLUDE ASSETS AND LIABILITIES OF BOTH | | | | | | |
| ASSETS | | | | LIABILITIES | | |
| Cash | | \$ | | Demand / Term Loans | | Monthly payment |
| | | \$ | | \$ | | \$ |
| Investments | | \$ | | Credit Card / Personal line of credit | | Monthly payment |
| | | \$ | | \$ | | \$ |
| Household & Personal | | \$ | | Mortgage Loans | | Monthly payment |
| | | \$ | | \$ | | \$ |
| Life Insurance (Cash Surrender Value) | | \$ | | | | |
| Automobile | | Current Value | | | | |
| Year | Model | \$ | | | | |
| | | \$ | | | | |
| Personal Residence | | \$ | | Other Liabilities | | |
| Other Real Estate | | \$ | | | | |
| Other Assets | | \$ | | Subtotal | | \$ |
| TOTAL ASSETS | | \$ | | TOTAL LIABILITIES | | \$ |
| Details: | | | | NET VALUE (ASSETS - LIABILITIES) | | \$ |
| | | | | TOTAL | | \$ |



| | | | | |
|---|------------------------------|-----------------------------|--|-----------------------------|
| Have you ever had an asset repossessed? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Do you carry Life Insurance? | |
| Have you ever declared bankruptcy? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you party to any claims or lawsuits? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | If Yes, Amount \$ | |
| Do you owe any taxes prior to the current year? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Is this a <input type="checkbox"/> Cash value or <input type="checkbox"/> Term | |

BUSINESS INFORMATION

If you currently own, or represent, an existing business that is applying for financing, please complete the following:

| | | | | | |
|---|------|--------------------------------------|------------------|---|---|
| Company Name | | Business Phone # () | | Fax # () | Cellular # () |
| Civic Address | | | Mailing Address | | Major Activity of the Business |
| Home based business? | | Fiscal year end | | Business Status | |
| How long have you been in business? | | | Year Established | | <input type="checkbox"/> Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Seasonal |
| Previous Address (if less than 3yrs at present address and how long) | | | Web Address | | |
| | | | Email Address | | |
| <input type="checkbox"/> Proprietorship | | <input type="checkbox"/> Partnership | | <input type="checkbox"/> Incorporated | |
| | | | | <input type="checkbox"/> To be Incorporated | |
| | | | | <input type="checkbox"/> Nonprofit | |
| | Name | Address | Phone Number | | Fax Number |
| Lawyer | | | | | |
| Accountant | | | | | |
| Banks | | | | | |
| Is the business providing support for obligations not listed on its financial statement? | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Is the business party to any claim or lawsuit? | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Has the business ever sought legal protection from its creditors? | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Does the business owe any statutory creditors? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(eg. HST, payroll remittance's, income tax, WCB, employment standards...)</i> | | | | | If Yes, amount owed: \$ _____ Owed to: _____ |
| Details on the above: | | | | | |
| Shareholders / Partners Names | | Percentage ownership | Partnership | | Percentage ownership |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

I understand that in order to process my application, the CBDC requires my personal information. I hereby consent to this information being collected, used by the CBDC and disclosed to third parties, including, but not limited to, Banks, Caisses Populaires or Credit Unions, credit reports agencies, insurance companies, lawyers, provincial and/or federal government, accountants, business consultants, training consultants and affiliated CBDCs, for the purpose of facilitating the assessment and approval of my application, as well as facilitating payment of loans, determining my eligibility for assistance programs, and providing me with information about training and development opportunities. I acknowledge having received a copy of the Summary of the CBDCs Privacy Policy. I authorize the CBDC to keep my personal information in my file for a period of 7 years after the last transaction in my file. I, the undersigned, consent to the CBDC's use of electronic mail to transfer or disclose my personal information, including my financial information to a third party. I understand that email is not entirely secure and that copies of my personal information may be kept by my CBDC's Internet service provider.

Our Privacy Policy is available on our website at www.cbdc.ca

Signature

Signature

Please Print Name

Please Print Name

Date

Date





Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada

The Atlantic Canada Opportunities Agency is pleased to support the network of Community Business Development Corporations in Atlantic Canada.



**Community Business
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