



**Application for the Position  
Of Board Director  
Community Futures Nicola Valley  
2185 Voght Street, Merritt, BC V1K 1B8  
250-378-3923**

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**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Phone Number:** \_\_\_\_\_ **Cell Number** \_\_\_\_\_ **Email Address:** \_\_\_\_\_

1. How long have you resided in the Nicola Valley? \_\_\_\_\_

2. List some of the volunteer agencies you have worked with:

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

3. Why do you wish to volunteer to work on the mandate of Community Futures Nicola Valley?

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

4. Have you previously been a Director on a volunteer Board? \_\_\_\_\_  
If yes, what was the society?

\_\_\_\_\_

5. Do you have a specific area within the community that you would like to work on?

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

**Name:** \_\_\_\_\_

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

Is there any additional information that you wish to share with us, which will assist in determining your suitability?



**2185B Voght Street  
P.O. Box 159,  
Merritt, BC V1K 1B8  
Phone: (250) 378-3923  
Website: [www.cfdcnv.com](http://www.cfdcnv.com)**

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The following is a list of the Board of Directors of Community Futures Nicola Valley as at May 1, 2016

- Jack Polmans
- Noreen Cross
- David Brown
- Tom Reynolds
- Liz Touet
- Tiffany Wimbush
- Marg Davis



# Business Financing

## LOAN PROCESS

### ELIGIBILITY CRITERIA & TERMS:

- Small businesses located within the CFDCNV region
- Loans are available to individuals, partnerships, societies, corporations or co-operatives
- Eligible projects must meet the test of viability and environmental sustainability
- Equity contributions by the applicants must be deemed acceptable by the committee
- Security coverage will be required to cover the amount of loan requested
- An interest rate of Prime+3.5% (minimum of 6%) with regular scheduled payments of principal and interest

### PROJECTS THAT WILL NOT BE FINANCED:

- The manufacture, production or sale of alcohol;
- The purchase of franchises;
- Multi-level marketing schemes;
- Gambling establishments;
- Projects of a religious or political nature;
- Restaurants; and
- Projects of a sexual nature.

### SUBMISSION MATERIALS FOR APPLICATIONS:

- Loan application package and 1% application fee (minimum \$200 for loan applications under \$10,000.00) plus additional \$300 for legal fees when the security documents are prepared "in-house".
- Client loan submission and due diligence may include the following:
  - Business plan describing the products, operations, marketing, and financial activities and plans
  - Personal net worth statements and biographies
  - Annual financial statements – 3 years if possible
  - Verification of statement from CRA indicating that trust accounts are paid
  - Security, appraisals, environmental studies, other supportive materials
  - Proposed program and financing; breakdowns of the costs and verifications if possible (i.e. construction quotes, equip. purchase invoices, purchase offers or agreements etc.)

### APPLICATION REVIEW:

***The due diligence credit summary prepared by the CFDCNV loans officer will cover the following areas of analysis:***

- Confirmation and follow-up will be done on all information submitted
- Proposed loan terms and conditions by the CFDCNV to the client
- Management; history and competence
- Project analysis; Why? When? How? Confirmation of costs, suitability, community economic impact and benefit

- Personal net-worth statement review; are the sources of funds apparent, any cash drains or cause for concern; should also confirm or address other sources of funds
- Security proposed - costs, liquidation values, and potential for disposal difficulties or high costs
- Equity – levels, format adequacy for the present and future needs of the business
- Working capital – analysis of adequacy for immediate and future needs
- Repayment abilities – historical cash flow generation analysis, forecasts, including supportive evidence for key elements of forecasts, addressing competition, market conditions, etc.
- Environmental commentary – prescribed checklist plus nature of business/business practices review

**The Loan Credit Summary will address the following:**

- Benefits and risks of the project
- Provide analysis of the viability of the project
- Security to be taken and loan terms

**APPROVAL OR DECLINE:**

**The application is then presented to the Loans Committee for the final decision.**

**Requests may be declined where the Committee feels that:**

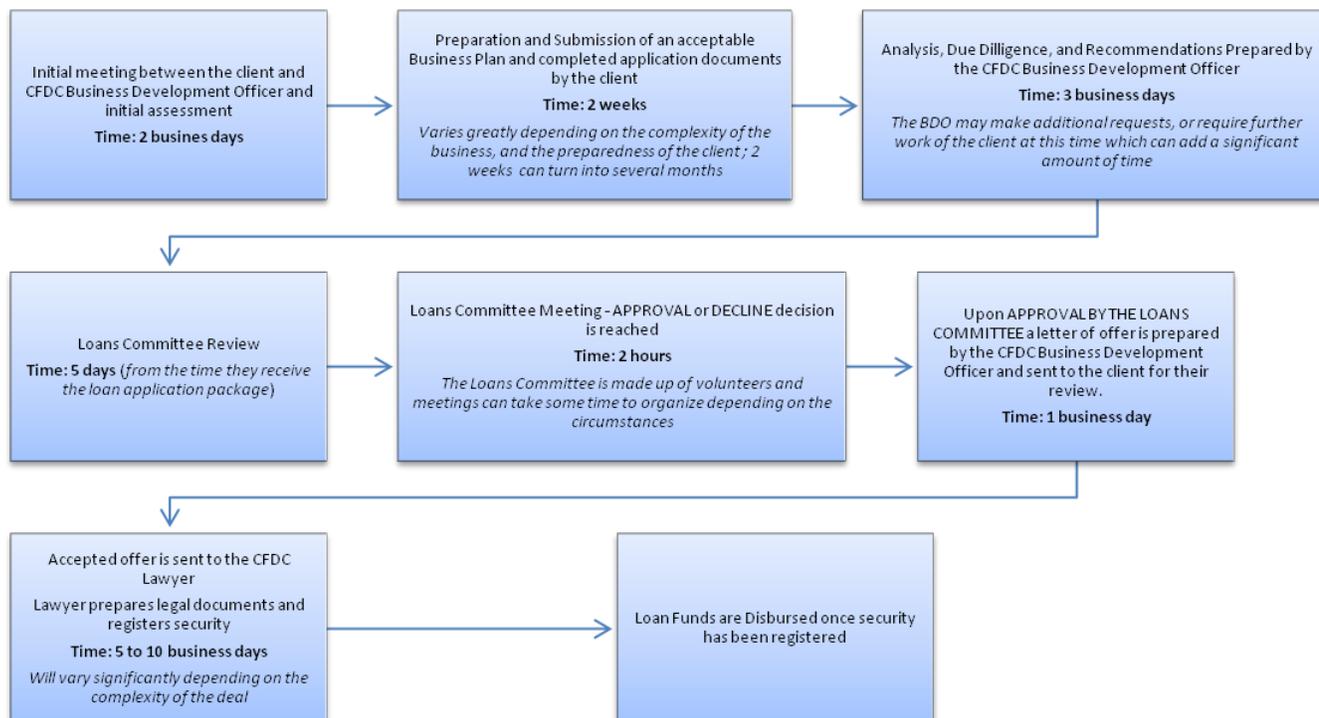
- The project does not fully meet the program criteria
- The risk of failure is too great
- Inadequate security exists for the loan
- Due diligence has not been reasonably completed
- Components of the program do not comply with policies required

**LOAN REPAYMENT:**

- The normal term for loan repayment is 5 years with monthly installments. The loan amortization varies with the amount and nature of the borrowing.
- Generally Community Futures organizations allow loans to be prepaid at any time without penalty unless otherwise specified.

**PROCESS CHART:**

Note: the time it takes for this process depends heavily on the preparedness of the client; the times listed here are minimum requirements under ideal circumstances and are very loose estimates



## ATTACHMENT “A”

### Loan Approval Authorities

Loan Amount	Level	Minimum Application Requirements	Level of Review	General Approval
\$500 - \$10,000 (plus additional admin & legal fees & life and/or disability insurance)	1	Credit check Business concept One year cash flow forecast	Manager and Business Development Officer	Manager And Business Development Officer
\$10,001 - \$15,000	2	Credit check Basic Business Plan One year cash flow forecast	Manager and BDO. Advise Board members	In person Committee meeting. Client may be asked to attend and interview
\$15,001 - \$50,000	3	Credit check Basic Business Plan One year cash flow forecast	Manager and BDO. Full Committee Package must be prepared and 5 days allowed for review	In person Committee meeting. Client may be asked to attend and interview
\$50,001 - \$150,000	4	Credit check Detailed Business Plan 2-5 year cash flow forecast	Manager and BDO Full Committee Package must be prepared and 5 days allowed for review	In person Committee meeting. Client may be asked to attend and interview

**Amended April 7, 2016.**

For further information contact:

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 Business Development Officer  
 Community Futures Nicola Valley  
 2185B Voght Street, Box 159  
 Merritt, BC V1K 1B8  
 Tel: 250-378-3923  
 Email: [manuel@cfncv.com](mailto:manuel@cfncv.com)

## **What Community Futures Nicola Valley Looks for in a Loan Application:**

When your local Community Futures staff and volunteer board assess the merits of your loan application, they take into account our own version of the classic banking industry guideline “The Five C’s of Lending.” As we are developmental lenders – and because community economic development is our number one priority – we are able to interpret and prioritize lending criteria a bit differently than traditional banks.

Here’s some insight into the criteria your local Community Futures staff and volunteer board will use when assessing the merits of your loan application:

### **1. Character**

Character is a combination of your credit history, your training and work history, and any proven experience you have at running a business. Most banks look primarily at how the loan will be secured. While this is also important to us, we value your personal experience and track record too. We’ll also want to know about the industry skills and management experience of your leadership team, because even the best business ideas don’t succeed without strong management. It’s all part of ensuring that you are set up for success in business – not just loan repayment!

### **2. Capacity**

Capacity refers to your ability to take on and repay debt based on the earning potential and cash flow of the business. We look at your business plan very carefully to determine the strength and marketability of your idea as well as the viability of the business. It is therefore very important that you take the time to carefully research and thoroughly test your business concept. We also want to make sure there will be adequate cash flow, to ensure that you can realistically afford the loan. If you are asking for a loan for an existing business, we’ll look carefully at your historical financial statements. If you are starting a new business, we’ll review projected financial statements as well as data like industry averages.

### **3. Conditions**

When assessing a loan request, we take great care to understand the market and conditions in which you are planning to operate your business. Is the industry mature or emerging? What are the current political, environmental, social, and technological issues affecting the industry? To gain insight, we look at data from industry associations and government and regulatory bodies, as well as your own marketing plan research. And, of course, we factor in the ability of your business to help drive rural economic diversification – adding recognition for big potential impacts.

### **4. Capital**

Capital includes your personal and corporate net worth, the “sweat” and real equity you have invested in the business and your ability to access other financial reserves. We want to make sure you have adequate capital to grow your business and to weather any unexpected emergencies or setbacks. Having insufficient capital is a common mistake for too many businesses, and we want to ensure it doesn’t happen to you.

### **5. Collateral**

Because Community Futures organizations are developmental lenders, we place a greater focus on the management team, business capacity, market conditions, and cash flow of a business. However, we do have a responsibility to lend money responsibly, and therefore must take adequate security. We will be as creative as we can in assessing your collateral, but we are aiming for a 1:1 security to loan principal ratio.

Your chances of obtaining a loan depend upon how you are assessed in each of these areas. By becoming familiar with these criteria, you can ensure that your business plan addresses all the essential points, and that you are prepared to answer any questions the review board may have. Be ready to show us the creativity, energy and drive behind your business idea – and we’ll do our best to help.