

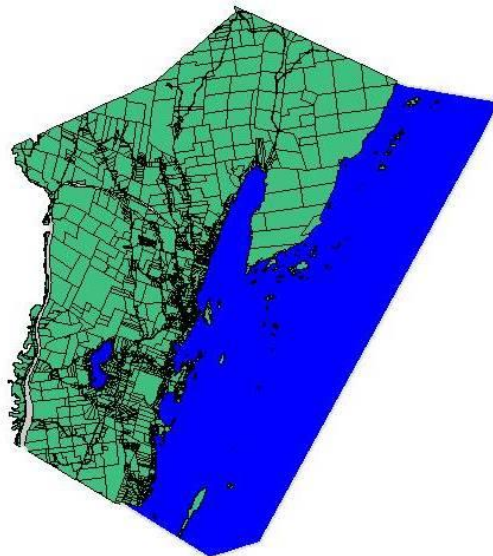
Town of Bolton
4949 Lakeshore Drive
Bolton Landing, NY 12814

Community Development Program

Mission Statement

The Bolton Community Development Program is a revolving loan fund that seeks to leverage private equity for economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round community.

Operations Manual



Town of Bolton Board Members

Ron Conover, Supervisor
Owen Maranville
Rob McEwan
Deanne Rehm
Greg Smith

March, 2010

BOLTON COMMUNITY DEVELOPMENT PROGRAM
Operations Manual
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BOLTON COMMUNITY DEVELOPMENT PROGRAM

Operations Manual Introduction

Program Mission Statement

The Bolton Community Development Program is a revolving loan fund that seeks to leverage private equity for economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round community.

The Bolton Community Development Program (BCDP) Operations Manual is designed to assist Town of Bolton elected and appointed officials in fulfilling the duties and responsibilities associated with the receipt of \$4,000,000 in Urban Development Action Grant Funds in October, 2008 as a result of the sale of the Sagamore Hotel.

The procedures, developed by the BCDP Advisory Committee and adopted by the Bolton Town Board on September 1, 2009, will serve as a source of reference for present and future members of the Advisory Committee when making decisions regarding the distribution of the Program Funds.

The manual is organized to address the major operational components of the Program and to provide a brief history of the funding.

A copy of the manual should be readily available to all members of the Bolton Town Board and all members of the Bolton Community Development Program Advisory Committee.

Bolton Community Development Program Advisory Committee

Ike Wolgin, Chair
J. Buckley Bryan
Kathleen A. Conerty
Craig Hannon
Susan Wilson

March, 2010

BOLTON COMMUNITY DEVELOPMENT PROGRAM

Mission Statements

Bolton Community Development Program Mission Statement

The Bolton Community Development Program is a revolving loan fund that seeks to leverage private equity for economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round community.

Bolton Community Development Program Advisory Committee Mission Statement

The program is administered by the Bolton Community Development Advisory Committee established by the Bolton Town Board. The committee reviews applications for their eligibility according to the Program's core mission statement of strengthening the community through economic activity, and are also reviewed to ensure their compliance with the rules, goals, objectives, and for financial soundness.

BOLTON COMMUNITY DEVELOPMENT PROGRAM

History of Community Development Program Monies

Program Mission Statement

The Bolton Community Development Program is a revolving loan fund that seeks to leverage private equity for economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round community.

In 1983 The Sagamore was deemed a qualified project for the federal Urban Development Action Grant (UDAG) Program based on its potential to create permanent jobs, and promote economic growth with a potential regional ripple effect. As a result the Town of Bolton was the recipient of a \$5,275,000 UDAG for the project. \$250,000 was used for upgrades and improvements to the town waste water plant. \$5,000,000 was lent to the Sagamore Restoration Project \$25,000 was to be reimbursed to the developer for the application fee. It was absorbed by the town.

The grant money, combined with \$65 million dollars in private equity, went into the restoration and construction of the Sagamore. The hotel and golf course were restored to their former grandeur, and sufficient infrastructure was added to operate a year round resort and conference center. Re-opened in 1985, the Sagamore was placed on the National Register of Historic Properties.

The Town of Bolton received \$900,000 in interest from the Sagamore during the years between 1983 and 1989. In 1989 the town received a payment in the amount of \$1,000,000. In 2008 the town received \$4,000,000.

For 27 years the Sagamore had been a year round economic engine for the Town of Bolton and the area. The hotel had an annual payroll of \$19 million dollars and had created 470 permanent positions and 400 seasonal jobs. These 800+ jobs were at all levels: executive, middle management, technical, sales, culinary, housekeeping and all levels of support. In addition to property and school tax, the hotel generated \$2,225,000 in sales tax revenue and \$650,000 in occupancy tax revenue annually.

The cooperation of the Town Board serving in the 1980's in helping to secure this grant for the Sagamore re-birth was visionary. They understood the stewardship that they were undertaking, and they were committed to using the funds to develop and create economic sustainability in the Bolton area through the use of these funds; the specific purpose for which it was granted by the Federal Government.

In 2009 the current Town of Bolton Board has created the Community Development Program with the \$4,000,000 balance of the monies loaned from the Urban Development Action Grant awarded by the Federal Government.

BOLTON COMMUNITY DEVELOPMENT PROGRAM

Advisory Committee Disclosure and Understanding

Program Mission Statement

The Bolton Community Development Program is a revolving loan fund that seeks to leverage private equity for economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round community.

Committee Mission Statement

The program is administered by the Bolton Community Development Program Advisory Committee established by the Bolton Town Board. The committee reviews applications for their eligibility according to the program's core mission statement of strengthening the community through economic activity, and are also reviewed to ensure their compliance with the rules, goals, objectives, and for financial soundness.

The Town Board of the Town of Bolton, pursuant to guidelines, federal regulations and contractual requirements has established a revolving loan fund that seeks to leverage private equity for economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round community. It is anticipated that applicants will seek program financing and submit loan applications, proposals and appropriate projects for the loan program to be determined by resolution of the Town Board.

The Town Board has elected to create the Bolton Community Development Advisory Committee (BCDAC) of community representative "volunteers" to review applications for their eligibility according to the fund's core mission statement of strengthening the community through economic activity. In addition, applications are reviewed based on their compliance with the rules, goals, objectives and for financial soundness.

Committee membership shall consist of five (5) independent volunteers appointed by the Town Board for a term of between one (1) and three (3) years. Initial appointments to the committee shall be staggered so as to assure committee continuity should volunteer membership change over a period of years. The Town Board shall appoint successor volunteer members to fill vacancies created on the committee to serve the balance of any incomplete term or as a successor to any expired term. A quorum of the committee sufficient to "do business" and "take action" shall require at least three (3) members in attendance. Each volunteer member of the committee shall have a single and equal vote.

Any Town Board member shall be entitled to attend any committee meeting, however, the Town Board member shall not be considered a committee member. The committee shall have the professional services of the Town of Bolton's legal counsel available with respect to their committee activities. The committee shall not have any authority to act in any manner binding the Town of Bolton to any contractual responsibility. Action taken by the committee shall constitute an advisory recommendation to the Town Board with respect to any application for a loan. If the committee by a vote of at least three (3) members shall determine that a loan application is eligible, meets the criteria of the loan program, and the applicant in the opinion of the committee is credit-worthy, then a favorable vote of the committee constitutes an advisory recommendation to the Town Board that the applicant's request for loan approval is appropriate for Town Board consideration. The Town Board shall remain free to accept or reject the committee's advisory recommendation for loan approval. Where the committee determines a loan application is ineligible for the program, or for any reason the committee determines that a loan application is not qualified for a recommendation of approval, the Town Board shall not act in any manner to overrule the committee's advisory recommendation.

Committee members shall extend confidentiality to all applicants, all credit information and submissions received in support of a loan application. Such materials shall constitute the exclusive property of the Town of Bolton. Written materials submitted by any loan applicant, minutes of any committee meeting, and the conduct of the committee expressed in any written memorandum, report or correspondence shall be maintained in a secure file in the custody of the Office of the Supervisor of the Town of Bolton.

The public shall not have access to committee activities as the sole function of the committee shall be advisory to the Town of Bolton with respect to the issue of entering into contractual negotiations on program loans. No records of the committee shall be subject to the requirements of Freedom of Information Laws (FOIL) nor Open Meeting Law requirements so long as the exclusive conduct of committee activities remains for the single purpose of preparing the Town Board in contractual negotiations. In all cases, the final decision to act upon any favorable advisory recommendation made by the committee is reserved to the exclusive discretion of the Town Board.

The Town Board shall accept the committee's actions as advisory in nature. The Town Board shall not be furnished with a loan applicant's credit information or other materials that constitute an applicant's personal or confidential financial materials. Program loan applications include confidential information that the Town Board wishes to protect from public access. Committee members shall not disclose any private information that they have obtained in their role as a committee member to any third party unless ordered to do so by a court of competent jurisdiction.

Committee members are considered volunteers with respect to their service to the Town of Bolton. It is understood that each committee member shall be indemnified and defended by the Town of Bolton for any act or omission that is alleged to have occurred in the course of their actions as a committee member with respect to advisory committee activities.

Every committee member shall conduct deliberations impartially. No committee member shall be eligible to apply for a program loan. This prohibition shall also apply to any member of a committee member's immediate family(residing in the same household). A committee member shall recuse themselves from review and consideration of any loan application presented by a business partner or concerning a project, business, enterprise or development activity in which the committee member has a financial interest. Every committee member shall abide by the requirements of Ordinance #24 entitled, "Code of Ethics (for the) Town of Bolton," in the performance of their duties as a committee member.

A committee member shall serve without compensation. A committee member may resign at any time and for any reason.

All of the foregoing has been read and understood by the undersigned, and by evidence of signature, an informed agreement to abide by the terms herein is so stated.

Dated: _____

Signature of Committee Member

Print Name

BOLTON COMMUNITY DEVELOPMENT PROGRAM (BCDP)

Standard Operating Procedures

Program Mission Statement

The Bolton Community Development Program is a revolving loan fund that seeks to leverage private equity for economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round community.

Committee Mission Statement

The program is administered by the Bolton Community Development Program Advisory Committee established by the Bolton Town Board. The committee reviews applications for their eligibility according to the program's core mission statement of strengthening the community through economic activity, and are also reviewed to ensure their compliance with the rules, goals, objectives, and for financial soundness.

1. Applications for projects are to be completed by the borrower and submitted to the Town of Bolton Supervisor on a standardized BCDP form.
2. Once the Application (Items 1 and 2, A through E) has been determined by the supervisor or town board to be complete, it is forwarded to the Bolton Community Development Program Advisory Committee (BCDPAC) for review.
3. The BCDPAC will review the application for eligibility and conformity to the BCDP. The committee looks at the following when determining eligibility:
 - a. Is the proposal eligible under the BCDP Terms and Regulations?
 - b. Does the applicant meet the BCDP mission of economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round sustainable community?
 - c. Does the applicant meet and to what degree the national objective of the Community Development Block Grant Program.
 - d. Does the applicants request fall within the fund lending guidelines?
4. If the Application is deemed ineligible, the applicant will be notified in writing with an explanation for the decision.
5. If the Application (Items 1 and 2, A through E) is deemed eligible, the applicant will be notified and invited to submit a complete Application and all other required documents.
6. A complete Application shall include all necessary paperwork as described in the application, and an approved Business Plan.

7. Once the committee has accepted a Full Application as complete, in addition to those criteria considered in the Preliminary Application, members of the committee will review applications and business plans at this stage for:
 - a. The financial soundness of the full application,
 - b. The economic impact to the community,
 - c. The net positive effect of the project on the community and overall community need, and
 - d. The monetary and non-monetary benefit is of sufficient merit for the town to take the risk and the benefit cannot be achieved solely through private equity.
8. If the Application is approved by the committee, it will be forwarded to the Town Board. In addition to forwarding the application with a favorable recommendation, the committee will submit a report summarizing and highlighting the benefits and risks to the community and the committee's recommendation for contract and loan terms. The Town Board shall remain free to accept or reject the committee's advisory recommendation for loan approval.
9. If the committee determines a loan application is ineligible for the program, or for any reason the committee determines that a loan application is not qualified for a recommendation of approval, the town Board shall not act in any manner to overrule the committee's advisory recommendation.
10. All projects must receive final approval from the Bolton Town Board.
11. With the execution by the Town Board of a contract, the committee's responsibility ends. The committee shall be available to provide support for the project should it be requested by the Town Board.

BOLTON COMMUNITY DEVELOPMENT PROGRAM

Terms and Regulations

Program Mission Statement

The Bolton Community Development Program (BCDP) is a revolving loan fund that seeks to leverage private equity for economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round community.

1. Program Requirements

- a. The assistance must meet the goals and objections of the BCDP Mission Statement.
- b. Loans approved will be the minimum amount necessary to support the project.

2. Eligibility

- a. Project must be located in the Town of Bolton.
- b. Businesses must be engaged in manufacturing, industrial, wholesale, technology, service (non-professional) retail and non-retail commercial/service. This list is not all inclusive.
- c. Loans can be used for purchase of and improvements to fixed assets (such as real estate, buildings, machinery and equipment).
- d. Refinancing of existing loans is not eligible; nor are lines of credit, bridge loans, private housing, inventory or government projects. This list is not all inclusive.

3. Loan Terms & Rates

- a. Up to 30% of the total project cost, with a minimum loan of \$5,000.00 and a maximum loan of \$250,000.00.
- b. Minimum of 20% cash equity contribution by the borrower toward total project cost is required.
- c. Maximum length of loan term years is seven (7).
- d. Interest rate to be determined at the time of closing of the loan.
- e. Public funds from other programs can be used for the balance of the project.
- f. The intent of the BCDP is to facilitate the project, therefore, loan terms are negotiable.
- g. No prepayment penalties will be assessed.
- h. Borrower is responsible for all closing costs.

4. Collateral

- a. BCDP loans are secured by either a first or second mortgage on real property being financed.
- b. Security interest in machinery & equipment, accounts/ receivable, and inventory, subordinate only to a bank.
- c. Personal guarantees are required.

5. Application Process

See Loan Application Instructions and Procedures which are part of the Loan Application Packet.

BOLTON COMMUNITY DEVELOPMENT PROGRAM

Loan Application Instructions and Procedures

Program Mission Statement

The Bolton Community Development Program is a revolving loan fund that seeks to leverage private equity for economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round community.

Committee Mission Statement

The program is administered by the Bolton Community Development Program Advisory Committee established by the Bolton Town Board. The committee reviews applications for their eligibility according to the program's core mission statement of strengthening the community through economic activity, and are also reviewed to ensure their compliance with the rules, goals, objectives, and for financial soundness.

Please read the following instructions prior to the submission of any application.

This Application Packet includes the following: these Instructions and Procedures, a Bolton Community Development Program Loan Application Form, Program Terms and Conditions, and a Business Plan Guideline.

The Bolton Community Development Program Application consists of four (4) items. They are:

1. Primary Applicant Personal Information
2. Information About Your Business/Project
3. Personal and Business Financial Information
4. Other Business Financial Information

To insure that all applications considered by the Bolton Community Development Program Advisory Committee (BCDPAC) are in accordance with the program's mission statement, it is only necessary for you to complete Items 1 and 2 (A through E) during the initial application process. The BCDPAC will not require the submission of personal or business financial information prior to that determination.

1. Applications for projects are to be completed by the borrower and submitted to the Town of Bolton Supervisor on a standardized BCDP form.
2. Once the Application (Items 1 and 2, A through E) has been determined by the supervisor or town board to be complete, it is forwarded to the Bolton Community Development Program Advisory Committee (BCDPAC) for review.
3. The BCDPAC will review the application for eligibility and conformity to the BCDP. The committee looks at the following when determining eligibility:
 - a. Is the proposal eligible under the BCDP rules?
 - b. Does the applicant meet the BCDP mission of economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round sustainable community?
 - c. Does the applicant meet and to what degree the national objective of the Community Development Block Grant Program.
 - d. Does the applicants request fall within the fund lending guidelines?

4. If the Application is deemed ineligible, the applicant will be notified in writing with an explanation for the decision.
5. If the Application (Items 1 and 2, A through E) is deemed eligible, the applicant will be notified and invited to submit a complete Application and all other required documents.
6. A complete Application shall include all necessary paperwork as described in the application, and an approved Business Plan. If you do not have a written Business Plan, please use the Business Plan Guideline included in this packet to write your plan.
7. Once the committee has accepted a Full Application as complete, in addition to those criteria considered in the Preliminary Application, members of the committee will review applications and business plans at this stage for:
 - a. The financial soundness of the full application,
 - b. The economic impact to the community,
 - c. The net positive effect of the project on the community and overall community need, and
 - d. The monetary and non-monetary benefit is of sufficient merit for the town to take the risk and the benefit cannot be achieved solely through private equity.
8. If the Application is approved by the committee, it will be forwarded to the Town Board. In addition to forwarding the application with a favorable recommendation, the committee will submit a report summarizing and highlighting the benefits and risks to the community and the committee's recommendation for contract and loan terms. The Town Board shall remain free to accept or reject the committee's advisory recommendation for loan approval.
9. If the committee determines a loan application is ineligible for the program, or for any reason the committee determines that a loan application is not qualified for a recommendation of approval, the town Board shall not act in any manner to overrule the committee's advisory recommendation.
10. All projects must receive final approval from the Bolton Town Board.

BOLTON COMMUNITY DEVELOPMENT PROGRAM

Loan Application

Program Mission Statement

The Bolton Community Development Program is a revolving loan fund that seeks to leverage private equity for economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round community.

All projects must be located in the Town of Bolton. Loan proceeds cannot be used to pay off existing debt.

Please complete only Items 1 and 2 (A through E) at this time.
If it is determined by the Bolton Community Development Program Advisory Committee (BCDPAC) that the application meets the criteria established in the Mission Statement for the program, you will be asked to complete the remainder of the application.
All applications must be submitted to the Town of Bolton Supervisor.

1. PRIMARY APPLICANT PERSONAL INFORMATION

Name: _____

Street Address: _____

City, State, Zip Code: _____

of years at this address: _____ Own Rent

Telephone (Home, Work, Cell): _____

Email Address: _____

2. INFORMATION ABOUT YOUR BUSINESS/PROJECT

Please complete all items appropriate to your existing or proposed business/project – A through E

A. How do you plan to use the BCDP Loan?

Please provide a description of the project: _____

Business: New Expanding

Building: Purchase New Construction Renovation

Equipment: New Repair Update

Land & Building Costs: \$ _____

Equipment Costs: \$ _____

Inventory Costs: \$ _____ *Inventory costs are not eligible for financing

Other Costs: \$ _____ Describe: _____

Total Project Costs: \$ _____

Total Eligible Project Costs: \$ _____

B. Existing or Proposed Business Information – for this project

Name of Business: _____
Address of Business: _____
City, State, Zip Code: _____
Telephone and Fax: _____
Type of Business: _____

- C Corporation S Corporation Limited Liability Company (LLC)
 Business Individual Non-Profit Sole Proprietor Limited Partnership
 General Partnership LLP

Date Established: _____ Present Owner Since: _____
State of Incorporation: _____ IRS Employee ID Number: _____
Current Number of Employees: _____ # of Employees after Financing: _____

- Seasonal Full time Health Benefits Retirement
 Permanent: Part-time Income Range: _____
(Please indicate hourly or annually)

Primary Product or Service: _____

List any Affiliated Companies: _____

C. Management

List the names of all owners, officers, directors and/or partners and their current percent of ownership.

Name & Title: _____ % of Ownership: _____
Name & Title: _____ % of Ownership: _____
Name & Title: _____ % of Ownership: _____
Name & Title: _____ % of Ownership: _____

D. Total Project/Business Capitalization

Equity (new cash)	\$ _____	_____ %	
Private (bank)	\$ _____	_____ %	
Private (other)	\$ _____	_____ %	
Public	\$ _____	_____ %	
BCDP Requested Amount* (Not to exceed \$250,000)	\$ _____	_____ %	Not to exceed 30% of total eligible project cost)
Total Project Cost	\$ _____	100 %	

Requested Length of Loan*: _____ years. (Not to exceed 7 years)

*All terms, rates and conditions will be determined by BCDPAC

E. Lending Institution(s) Information – for this project

Name of Institution: _____
Representative: _____ Title: _____
Address: _____
City, State, Zip Code: _____
Telephone: _____ Email: _____

Name of Institution: _____
Representative: _____ Title: _____
Address: _____
City, State, Zip Code: _____
Telephone: _____ Email: _____

Name of Institution: _____
Representative: _____ Title: _____
Address: _____
City, State, Zip Code: _____
Telephone: _____ Email: _____

Please complete Items 3 and 4 of this application only after loan eligibility for your project has been approved.

3. PERSONAL AND BUSINESS FINANCIAL INFORMATION

A. Personal Financial Information – a personal financial statement may be required

<u>Assets</u> (What you own):		<u>Liabilities</u> (What you Owe):	
Cash	\$ _____	Accounts and Bills Due	\$ _____
Stocks & Bonds	\$ _____	Credit Cards/Revolving Loans	\$ _____
Retirement Acct's.	\$ _____	Installment/Other Loans	\$ _____
Real Estate	\$ _____	Mortgages	\$ _____
Automobiles	\$ _____		
Other Assets	\$ _____	TOTAL Liabilities	\$ _____
TOTAL Assets	\$ _____	NET WORTH	\$ _____
		(Total Assets minus Total Liabilities)	

B. Summary of Collateral for Proposed Loan

	Present Market Value		Present Mortgage Balance and Liens		Asset Value

Land & Building	\$ _____	minus	\$ _____	equals	\$ _____
Inventory	\$ _____	minus	\$ _____	equals	\$ _____
Accounts Receivable	\$ _____	minus	\$ _____	equals	\$ _____
Machinery & Equipment	\$ _____	minus	\$ _____	equals	\$ _____
Furniture/Fixtures	\$ _____	minus	\$ _____	equals	\$ _____
Vehicle(s)	\$ _____	minus	\$ _____	equals	\$ _____
Other	\$ _____	minus	\$ _____	equals	\$ _____
Total	\$ _____	minus	\$ _____	equals	\$ _____

4. OTHER BUSINESS FINANCIAL INFORMATION – not for this project

Business Obligations – Include capital leases and loans. Do not include rent on office space or other facilities. (Attach additional sheets if necessary.)

Creditor	Rate	Date Opened	Maturity Date	Original Balance	Current Balance	Payment	Collateral
	%			\$	\$	\$	
	%			\$	\$	\$	
	%			\$	\$	\$	
	%			\$	\$	\$	

Business Deposit Relationships – Currently doing business

Bank Name	Location	Type of Account(s)

Business Financials

Balance Sheet As of ____/____/____

Income: As reported on most recent

year ending ____/____/____

Cash	\$	Accounts Payable	\$	Gross Sales/Revenue	\$	(+)
Accounts Receivable	\$	Notes Payable	\$	Cost of Goods Sold	\$	(-)
Inventory	\$	Credit Card Debt	\$	Owner's Compensation	\$	(-)
Machinery/Equipment	\$	Automotive Loans	\$	Interest Expense	\$	(-)
Automobiles	\$	Mortgages	\$	Depreciation	\$	(-)
Real Estate	\$	Other	\$	Remaining Expenses	\$	(-)
Other	\$					
Total Assets	\$	Total Liabilities	\$	Net Income	\$	(=)

LIST OF DATA TO BE INCLUDED IN THE BUSINESS PLAN – this list is not all inclusive

- A. All Businesses (existing and new)
 1. Projected Sales
 - a. Each month for the first 12 months
 - b. Totals for each year for the first 2 years
 2. Projected Expenses
 - a. Each category for each month for the first 12 months
 - b. Totals for each year for the first 2 years
- B. Existing Businesses – Expanding only
 1. Historical Financial Reports (for prior 3 years)
 - a. Balance Sheet
 - b. Income Statement
 - c. Net Worth
 - d. Tax Reports
 2. Existing Debt
 - a. Balance due as of _____
 - b. Terms
 - c. Original loan principal
 3. List of legal documents relevant to business

BOLTON COMMUNITY DEVELOPMENT PROGRAM

Business Plan Guidelines

Program Mission Statement

The Bolton Community Development Program is a revolving loan fund that seeks to leverage private equity for economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round community.

These guidelines are recommended for the formulation of a business plan, as required in the loan application. This guide is a greatly reduced version of business plans usually requested by the commercial lending department of any bank, but contains reduced areas of interest to this committee for consideration of any citizen's application for a loan from the Bolton Community Development Program Advisory Committee (BCDPAC). The guide here follows very closely the Palo Alto Business Plan Pro software, generally considered to be the premier computer-generated business plan on the market today and is designed to assist the applicant in the correct formulation of the plan.

This BCDPAC strongly recommends that any applicant purchase a good computer-generated business plan so that you may be guided through the steps needed to successfully formulate such a plan. Some of these computer-generated plans are available at Staples, Kinkos, or on line, just to name a few sources. This written plan, if thought out completely, will greatly assist the business owner in operating the business and greatly reduce the chance of failure.

All of the plans are to be typewritten, or computer-generated, using software like Word and Excel.

Some of the information required in this business plan section is also required in other sections of the loan application.

Any plan any loan candidate submits should contain the following sections:

1.0 Executive Summary

1) Does it completely summarize the plan? This should be at least one page long. Completely describe and explain the function of the business, stating what (good and/or service) is being provided to the customer.

What is your exact location in the Town of Bolton?

Describe yourself, including your name, as well as your primary helpers. What are the credentials of this management team?

1.1 Objectives/goals clear and distinct?

1.2 Mission statement concise? This is not a marketing statement.

1.3 Keys to success stated? Employees mentioned? Available funds?

1.4 Why should the BCDP Committee lend you the money?

2.0 Company summary

2.1 Company ownership--structure, organization type, articles of partnership or incorporation, sole, joint, LLC? Why did you choose this form?

2.2 Start up summary, in detail AND, how is it paid for? List all of the items (including costs).

NOTE: This is an Income and Expense (I&E) Statement aimed only at the startup, which ends when the first customer walks through the door. Quite naturally, it will show a loss, but the startup costs must be funded. You show how.

3.0 Products and services

- 1) What are you selling? Goods? Services? Combination?
- 2) Where do you get the goods? Manufacture? Purchase?
- 3) Why are they good? What is your competitive advantage?

4.0 Marketing summary, i.e., who are you selling to, and how are you going to do it?

4.1 Target market or markets i.e., market segmentation

4.2 Target market segment strategy. How will you go after your target market?

4.3 Service business analysis, if providing a service

4.3.1 Competition and buying patterns

Referencing the above:

- 1) How did you get your figures? Warren County Census?
- 2) Who will buy your goods/services? Demographics?
- 3) Why will they purchase them?
- 4) How did you do your market analysis? See 1 and 2 above.
- 5) Who is your competition? Prices? Operations? Locations?
- 6) Is the advertising/promotion clearly described?

5.0 Web plan summary i.e., tell us about your web site

5.1 Website marketing strategy

5.2 Development requirements

6.0 Strategy and implementation summary

6.1 SWOT Analysis

INTERNAL

6.1.1 Strengths

6.1.2 Weaknesses

EXTERNAL

6.1.3 Opportunities

6.1.4 Threats

Referencing the above: You should be able to identify at least 6 in each category, and describe them.

Internal is within your business, while external is outside your business.

6.2 Competitive edge-complete description, i.e., what makes your product best? .

6.3 Sales forecast: here you show units sold times unit price. Show how your product is priced.

Monthly

Yearly. 12 consecutive months

7.0 Management and licensing/permitting summary

There are 4 functions of management—planning, organizing, leading, and controlling/monitoring. Have you covered all of these items?

7.1 Personnel plan

a) Are all management jobs clearly described? Who will do what?

7.2 Are all permits/licenses listed?

7.3 Are you in compliance with all local regulations?

7.4 Checked all of the Bolton building ordinances, if building is considered?

8.0 Financial plan

NOTE!!!This is the area which causes the greatest difficulty, both in planning, and execution. Please pay special attention here. It is not difficult. It does, however, require time to assess. Losses are NOT acceptable, except in the very early stages of operating a start-up, BUT they must be funded. Show how.

8.1 Start-up funding I and E analysis, including funding for this stage of the operation. Section 2.2 accomplishes this.

8.2 Important assumptions you have made in this plan.

8.3 Break-even analysis i.e., how many units must be sold to cover all costs?

8.4 Projected Income and Expense (I & E) Statement, monthly, by category of income per product, and all expenses by category, also on a monthly basis. All lines should be cross-footed, to produce yearly totals, both income and expense. Once this has been accomplished, then an I and E for each of the two following years is needed. All of these I & E s are projected figures.

Referencing the financial section above:

- 1) Are the I & Es accurate and workable?
- 2) How was pricing arrived at? Describe fully
- 3) Are pricing and units in the financials, or accompanying notes?
- 4) Is the breakeven clearly described, formula and/or graph? Clearly show fixed and variable operating costs, in detail. Quote references for figures.
- 5) Assets to accomplish goals/objectives realistic?
- 6) Personnel adequate? Pay levels adequate? Owner paid?
- 7) Revenue and where from clearly described?
- 8) Costs and where from clearly described?
- 9) Production assets for volume production adequate?
- 10) LOANS THOROUGHLY DISCUSSED—AMOUNT, INTEREST RATE, TERM, PAYBACK SCHEDULE, OTHER LENDER-IMPOSED CONDITIONS. Attach a computer-generated loan payback schedule.**
- 11) Insurance type and costs fully described?
- 12) Are the goals/timeframes workable?

MAJOR QUESTION: If you were a banker in the commercial lending department of a financial institution, and accountable for protecting the institution's assets (through repayment of principle by the borrower) and ensuring that the bank makes money on the deal through interest payments, would you feel comfortable presenting this deal to the entire loan committee in the institution? Remember, your reputation, and maybe your job, is at stake here.