

P.E.I. CRAFTS COUNCIL LOAN FUND

2016

Objectives: Craft Supply Loans, administered by the P.E.I.C.C. are intended to supply short term financial assistance to artisans, primarily for the purchase of supplies (raw materials used in the production of a product - loans will only be approved for up to one years supply of raw materials), in particular (but not limited to) the small producers and/or those just starting out in the craft sector.

While we would encourage applicants to source funds for equipment and building materials through other avenues, loan funds might be made available under certain circumstances.

Loan repayment, as per schedule, will be beneficial as a credit reference when applying to a financial institution for loans and/or credit. Upon total re-payment of monies borrowed, a second loan may be considered, but the artisan will also be encouraged to apply to a financial institution. Maximum of two loans per artisan/business.

Deadlines: Applications can be submitted at any time.
Each committee member will receive copies of the applications, for perusal, and discussion of application and credit rating and then a decision will be made, either by telephone contact and/or meeting (if viewing of product is deemed necessary).
Applicant will be notified in writing, of the decision, along with any input regarding the product, cash flow statement, wholesale purchasing, pricing, etc.

Funding Board: The Board is comprised of the following members
Two artisans
P.E.I.C.C. Coordinator
Other qualified people may be asked for input (regarding quality of product, ability to repay, etc.)

Maximum Loan: \$3,000.00

Administration Fee: In lieu of interest charges, a \$60.00 administration fee for members and \$70.00 for non members, will be charged for each year of loan repayment - regardless of the loan amount (ie. if repayment is over a two year period, fee would be \$120.00 for members and \$140.00 for non members). This fee will be deducted from the approved amount of loan.

Repayment: Monies borrowed for the purchase of supplies, must be repaid within 12-24 months of loan date. Payment in the form of post dated cheques will be required before any funds will be released - repayment schedule can be worked out when completing your cash flow statement (see application form).

Eligibility: All craft producers on P.E.I. are eligible to apply for loans provided they meet with the established criteria

- 1) Business Financial Need - Working capital requirements (money to purchase raw materials).
- 2) Quality of Product - While applicants do not have to be members of the P.E.I.C.C. or have their work juried by the P.E.I.C.C. Standards Committee, the products should meet a standard of quality similar to that spelled out in the P.E.I.C.C. Standards Guidelines.
- 3) Loan Repayment - As determined by cash flow projections, historical sales and market support.

P.E.I. CRAFTS COUNCIL CRAFT SUPPLY LOAN FUND APPLICATION

Name (list all owners): _____

Business Name: _____

Mailing Address: _____

_____ Postal Code: _____

Telephone: _____ FAX: _____ EMAIL: _____

SIN #: _____

Please read the Craft Supply Loan Fund information before completing this application. The Loan Committee members will be evaluating your application on the information you have provided, therefore, it is important to give as much detail as possible.

All information will remain confidential.

1. Loan amount requested: _____

2. Outline your production plans (explain the purpose of the loan): _____

3. Please list the raw materials needed; indicate whether your source is retail, wholesale, special deal or private arrangement; and give the cost.

Raw Materials

Source

Cost

4. What does it cost to produce your product(s) (material+ labour + overhead costs)?
 What is the average wholesale and/or retail selling price?

<u>Product</u>	<u>Cost per unit to produce</u> <u>(material + labour + overhead</u> <u>= Total)</u>			<u>Wholesale</u> <u>Selling</u> <u>Price</u>	<u>Retail</u> <u>Selling</u> <u>Price</u>
	+	+	=		
	+	+	=		
	+	+	=		
	+	+	=		
	+	+	=		
	+	+	=		
	+	+	=		
	+	+	=		

5. Identify who you sell or will sell your products to, including local, provincial and off-Island markets. Indicate how you distribute your finished product and the methods by which you are paid:

6. Please list at least three credit references:

<u>Name</u>	<u>Address</u>	<u>Telephone</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. Please complete the attached cash flow statement for the 12 month period in which you expect to use the requested loan. For the purpose of this exercise incorporate the requested loan proceeds in the cash flow statement.

If you have not had your work approved by the P.E.I. Crafts Council Standards Committee (or members who are working in a new medium and/or technique), please enclose at least three samples in each medium you produce.

I hereby certify that the above information is true and accurate, and is given for the express purpose of obtaining financial assistance.

The P.E.I. Crafts Council is hereby authorized to obtain any information required relating to this application from any sources deemed necessary, and each source is hereby authorized to provide such information.

Signature

Date

