

# SEED

STUDENT EMPLOYMENT AND EXPERIENCE DEVELOPMENT PROGRAM

## APPLICATION FOR STUDENT ENTREPRENEURSHIP

THE RIGHT SKILLS

THE RIGHT JOBS

THE RIGHT BALANCE

# STUDENT ENTREPRENEURSHIP

## WHAT IS IT?

The Student Entrepreneurship component of the Student Employment and Experience Development Program (SEED) is a unique part of the Government of New Brunswick's summer employment programming. It offers interest-free loans to students who wish to create summer employment and gain valuable business experience by operating their own business. Retail shops, craftspeople, painting operations, computer companies, lawn care businesses and many other original ventures have received funding under Student Entrepreneurship in the past.

The Student Entrepreneurship component provides an interest-free loan of up to \$3,000 to help students start a summer business that will create at least one full-time student summer job (minimum of 30 hours per week) and provide the applicant with valuable entrepreneurial experience. If the loan has been repaid in full by October 15<sup>th</sup>, up to one-third of the value of the loan may be reimbursed, provided that all program regulations and requirements have been met.

## WHO IS ELIGIBLE TO APPLY?

1. Applicants\* must have been a full-time student in the previous academic year and must be returning to full-time studies in the fall.
2. International students with a temporary work visa for "off-campus" work are eligible. A copy of the work visa must be presented before the evaluation process begins.
3. Applicants must be 16 years of age or older. Applicants under 18 years of age will need the signature of a guarantor acceptable to the bank in order to obtain the loan.
4. Because this program is administered provincially, applicants must have established New Brunswick residency or lived in the province during the last six months and be returning to full-time studies in New Brunswick in the fall. Long-term New Brunswick residents remain eligible even if they are studying outside the province. The business must be operated in New Brunswick.
5. An applicant may have only one Student Entrepreneurship loan outstanding at any time during a fiscal year, either as a sole proprietor or as a partner.
6. Businesses operating on family-owned premises must be able to demonstrate independence from the family-owned operation. If you are planning to operate an agricultural business, such as raising livestock or cash crops, you must demonstrate a significant measure of independence from the farm on which you are operating.

\* Applicants include you and your partner(s), if any. If the business is a partnership, each partner must fill out a separate information form. A partnership is still only eligible for a maximum loan of \$3,000.

## PROGRAM RESTRICTIONS

To be eligible for program financing, your business plan must show the following:

1. Applicants must submit a business plan stating added value to the end product. For instance, a business involved in buying and selling cattle should look into opportunities that involve selling meat products and/or by-products instead of simply selling the cattle after weight gain.
2. Cash crops should be restricted to crops that are planted and harvested in one season. It should be new crops to the farm operation and not more of the same type of crops.

## WHAT REQUIREMENTS ARE PLACED ON THE BUSINESS?

1. Your business must fall under generally accepted definitions of an independent business. That means you should have a large measure of independent control over business operations. Under this criterion, certain types of product distributorships may not be eligible (e.g., where the applicant is essentially a commissioned salesperson for a manufacturer or distributor). Pyramid-type business and business morally offensive or affiliated with religion or politics are excluded.
2. Your application must include a business plan that shows how you will be able to pay back the loan by October 15<sup>th</sup>.
3. Your application must display how you will create one or more full-time summer jobs and/or how you will gain business experience on a daily basis (minimum of 30 hours per week).
4. Normally, the loan cannot be used towards the purchase of licensed vehicles.
5. Your business has to be open for at least six weeks and all program requirements and regulations must be met to be eligible for the one-third reimbursement of the value of the loan.

## WHO SPONSORS STUDENT ENTREPRENEURSHIP COMPONENT PROJECTS?

The Student Entrepreneurship component of the SEED Program is a Department of Training and Employment Development initiative.

The Program is also made possible thanks to participating financial institutions.

## PROGRAM REGULATIONS

1. Businesses must operate for at least six weeks between April 1<sup>st</sup> and the Labour Day weekend. Your loan must be repaid immediately if you do not start your business within a period that will allow operation for the required time frame.
2. You must submit proof within 30 days that certain business regulations have been adhered to, such as registering your company name, buying insurance, etc. Failure to do this may result in the recalling of your loan.
3. Your business has to be open for at least six weeks and create at least one full-time job (minimum of 30 hours per week) for a student.
4. **Your loan must be repaid on or before October 15<sup>th</sup> to be eligible for the 33½ reimbursement.**
5. A final income statement must be submitted to the Employment Programs and Services Branch of the Department of Training and Employment Development before October 31<sup>st</sup>.
6. On any pamphlets or advertising material you may state the following: "This business has received financial assistance from the New Brunswick SEED Program", however, you may not indicate that your business was funded by a bank or other financial institution, nor may you use logos of the bank or the Government of New Brunswick.
7. Students must ensure that proper bookkeeping methods are established, including payroll records, where applicable, cancelled cheques, sales slips, invoices, etc. These must be maintained during the time your business operates. This information shall be made available to the Department of Training and Employment Development for audit purposes.

## HOW TO APPLY FOR A STUDENT ENTREPRENEURSHIP LOAN

1. The start date of the program is April 1<sup>st</sup>.
2. Assess your talents and decide on the service or product you wish to offer. It is helpful to perform a market study to check demand and to review all relevant by-laws/legislation pertaining to your proposal beforehand. The most important stage of operating your business is often the preparation, so be thorough.
3. You are now ready to begin filling out your application. Included in this booklet are:  
  
Form A - Personal Information  
Attachment B - Written Project Description  
Form C - Cash Flow Forecast
4. Complete all three items and submit them to the regional office of the Department of Training and Employment Development. **NOTE: Included on the following page is a list of all offices of the Department of Training and Employment Development.**
5. If you need additional application material:
  - call your regional office of the Department of Training and Employment Development (listed on the next page), or
  - go to any one of the following: your college or university student placement centre, Canada Employment Centre for Students or your school guidance counsellor.
6. Please be sure you have answered, on a separate sheet, all questions contained in the Written Project Description (Attachment B). Your cash flow sheet (Form C) must also be filled out, as this helps to control your business's finances. In a partnership, all partners must fill out a separate Personal Information Sheet. **AN INCOMPLETE APPLICATION WILL DELAY APPROVAL OF YOUR LOAN.**
7. It is highly recommended that you make a copy of your application for your personal files.
8. Please allow at least two to three weeks for the processing of your application. You will be notified by your regional office of Training and Employment Development as to the status of your application. If approved, you will then arrange with the bank to receive your loan, and open the necessary accounts.
9. No applications will be accepted after June 30<sup>th</sup> of the fiscal year.
10. Any problems or questions? Call your regional office of Training and Employment Development.

# DEPARTMENT OF TRAINING AND EMPLOYMENT DEVELOPMENT REGIONAL OFFICES

## **Bathurst/Campbellton**

Department of Training and Employment Development  
157 Water Street, Main Floor, Suite 100  
Campbellton, N.B. E3N 3L4  
Telephone: 789-2411 Fax: 759-6696

## **Saint John**

Department of Training and Employment Development  
1 Agar Place, P.O. Box 5001  
Saint John, N.B. E2L 4Y9  
Telephone: 643-7258 Fax: 643-7443

## **Fredericton**

Department of Training and Employment Development  
633 Queen Street, P.O. Box 6000  
Fredericton, N.B. E3B 5H1  
Telephone: 453-2377 Fax: 444-5189

## **Moncton**

Department of Training and Employment Development  
770 Main Street, 4<sup>th</sup> Floor  
Assumption Place, P.O. Box 5001  
Moncton, N.B. E1C 8R3  
Telephone: 869-6944 Fax: 869-6608

## **Acadian Peninsula**

Department of Training and Employment Development  
20-E St-Pierre Ouest. Blvd., P.O. Box 5644  
Caraquet, N.B. E1W 1B7  
Telephone: 726-2639 Fax: 726-2728

## **Edmundston**

Department of Training and Employment Development  
121 rue de l'Eglise, Suite 308  
Carrefour Assomption, P.O. Box 5001  
Edmundston, N.B. E3V 3L3  
Telephone: 735-2677 Fax: 735-2527

## **Miramichi**

Department of Training and Employment Development  
152 Pleasant Street, P.O. Box 6000  
Miramichi, N.B. E1V 3N3  
Telephone: 627-4000 Fax: 624-5482

# ATTACHMENT B

## WRITTEN PROJECT DESCRIPTION

Your local office of the Department of Training and Employment Development can help you with this.

A Written Project Description must be attached to your application form. Research the following areas in detail in order to provide the Department of Training and Employment Development and the financial institutions with a comprehensive picture of your business.

Please type your responses or print in ink, numbering each response to correspond with the topic areas listed below.

**YOUR APPLICATION WILL BE DELAYED IF THESE ARE NOT COMPLETED.**

### 1. OPERATION

#### a) Business

Describe your product or service in detail, as well as the location where your business will be operated. If you are operating on property other than your own, provide the lease agreement that you have with the owner, or the name and telephone number of the individual from whom you will be leasing/renting. If you are operating a franchise, please include a copy of your signed franchise agreement with your application.

#### b) Management

State the names of all partners. Describe the work each partner will perform in the business, and the experience or specific skills each brings to the business. **If your business is a partnership, include a partnership agreement signed by the involved participants where applicable.** Remember: each partner must complete a Personal Information Sheet.

### 2. MARKETING PLAN

Please comment on the following aspects of your marketing plan:

- a) **Price:**
- What price will you charge for your product or service?
  - How did you determine this price?
- b) **Customers:**
- Describe how you will inform potential customers about your service or product.
  - Who are your potential customers?
  - What is the estimated market size?
  - Why will potential customers want to buy your product or use your services?
  - If possible, provide the names, addresses and telephone numbers of potential customers who have expressed a real interest in your service or product.
  - Provide details of any confirmed orders.
  - How will you transport your product, and what costs are involved?
- c) **Competition:**
- Who or what do you feel is your competition?

### 3. FINANCING

Please itemize and describe fully how you intend to utilize your Student Entrepreneurship Loan and include actual price estimates or quotes, where possible. Please identify whether the items will be bought or rented.

- \* For merchandise that will retain a substantial value on a personal basis once your business has ceased operations, only a fraction of the total price will be considered eligible toward the start-up costs of your venture (e.g. vehicles, computers, etc.).

### 4. REPAYMENT

State how you will repay your loan by October 15<sup>th</sup>, if your venture is not profitable. If this repayment will be in the form of assistance from a family member or acquaintance, include a letter from this individual confirming his/her participation.

### 5. REGULATIONS AND INSURANCE

The following are areas that may be applicable to your business and, if approved, you will be asked to answer the appropriate sections. Responses at this time are helpful but not required.

- a) Register your business name. The registration of a business name may be required when you are engaged in a business for trading, manufacturing or mining and operating under any name other than your proper given name. Contact Service New Brunswick - Corporate Affairs (506) 453-2703.
- b) Obtain the permits and licenses that are required by either the municipality or industry that you are operating in.
- c) Purchase the necessary insurance for either business, liability or vehicle. Contact any insurance agent.
- d) Obtain an employer number and obtain a retail sales tax number. Employer numbers are required if you will be hiring employees. You must also be aware of the necessary deductions. Retail sales tax numbers are required if you expect to be selling taxable goods for a value of \$30,000 or more. Contact the Canada Revenue Agency office at 1(800) 959-5525.
- e) Register your business with the Workplace, Health, Safety and Compensation Commission (WHSCC). This is mandatory if you will be employing three or more persons at any one time. Contact the Workplace, Health, Safety and Compensation Commission (WHSCC) office in your area.



# CASH FLOW FORECAST

Form C is a planning tool that enables you to have sufficient cash on hand to operate your business. It helps you to decide when to rent or buy necessary items and when you can make loan repayments in order to reduce your loan payable on October 15<sup>th</sup>. Timing your expenditures helps you avoid cash shortages.

## DEFINITIONS

### Cash Receipts (Money You Get)

<b>Student Entrepreneurship Loan</b>	The amount of money you need to borrow for your operation (Student Entrepreneurship Loan not to exceed \$3,000).
<b>Other (Specify)</b>	Money invested in your project from sources other than the government loan or money generated by your business each month. Included here will be money invested in your project from personal sources (e.g. a savings account, gift, etc.).
<b>Total Sales (Gross Revenue)</b>	The total amount of money you expect to receive when you sell your goods or services.
<b>Disposal of Equipment (Fixed Assets)</b>	Money received for fixed assets sold or returned. Fixed assets are equipment of a permanent nature which you need in order to operate your enterprise (e.g. ladders, lawn mower, computer, etc.). These items have a lasting value and are not fully consumed in the operation of your business. You can either purchase or rent your fixed assets.

### Cash Disbursements (Money You Pay Out)

<b>Purchase of Equipment (Fixed Assets)</b>	Money you spend monthly for the purchase of equipment.
<b>Rental of Equipment (Fixed Assets)</b>	Money you spend monthly on the rental of equipment or premises.
<b>Estimate of Wages to be Paid for Employee and Owner(s).</b>	Money taken as salaries.
<b>Materials</b>	Items you need to buy that are consumed in performing the service or manufacturing the product (e.g. paint, pool chemicals, yarn, etc.). These are directly related to production or service delivery.
<b>Temporary Rentals</b>	Money you spend on renting special equipment for a specific period of time.
<b>Advertising</b>	Advertising and promotion costs.
<b>Utilities</b>	Money you spend on services such as light, heat, water or telephone.
<b>Office Supplies</b>	Money you spend on supplies in your office (e.g. pens, paper, etc.).
<b>Other (Specify)</b>	Money you spend for items not listed above. This may include insurance payments, registration fees, Workers' Compensation contributions, etc.

<b>Loan Repayment</b>	Loan repayment installments to be completed by October 15 <sup>th</sup> .
<b>Net Cash</b>	Total cash receipts minus total disbursements.
<b>Surplus</b>	Surplus remaining after all monthly expenses are paid.
<b>Deficit</b>	Cash loss from the operation.
<b>Cumulative</b>	Total net cash for the term of the business to date.

# CASH FLOW FORECAST

(Please refer to the definitions supplied)

**FORM C**

Name of Business: \_\_\_\_\_ Amount Requested: \$ \_\_\_\_\_  
 Applicant(s): \_\_\_\_\_  
 Date Business Operation to Begin: \_\_\_\_\_ Date Loan Required: \_\_\_\_\_

**CASH RECEIPTS**

(Money you get)	April	May	June	July	August	September	October
Student Entrepreneurship Loan							
Other (Specify)							
Total Sales (Gross Revenue)							
Disposal of Equipment							
<b>TOTAL</b>							

**CASH DISBURSEMENTS**

(Money You Pay Out)							
Purchase of Equipment							
Rental of Equipment							
Labour							
Owner's Drawings							
Materials							
Temporary Rentals							
Advertising							
Utilities							
Office Supplies							
Other (Specify)							
Loan Repayment							
<b>TOTAL</b>							

**NET CASH:**  
 (Total Cash Receipts minus Total Cash Disbursements)

Monthly Surplus							
Monthly Deficit							
Cumulative (to date)							