

### **Program Guidelines**

The Virginia Small Business Financing Authority's (VSBFA) *Child Care Financing Program* (CCFP) is designed to assist Virginia child care providers in obtaining financing for fixed asset needs and educational materials. The (VSBFA) offers direct no-interest loans to regulated child care providers for quality enhancement projects or to meet or maintain childcare standards. Funding is provided by the U.S. Administration for Children and Families through the Virginia Department of Education.

**Eligible Borrowers:** Qualified borrowers are Virginia Department of Education (VDOE) licensed or local ordinance family day homes; voluntarily registered; part of a Licensed Family Day Care System; or participating in the USDA Food Program. To be eligible to apply for assistance under the Child Care Financing Program, the applicant must: a) be in "good standing" with the Division of Licensing Programs of the Virginia Department of Education, b) demonstrate a reasonable assurance of repayment, and c) maintain business operations in Virginia.

**Eligible Loan Purposes:** Loan funds may be used for:

- Fixed asset purchases and quality improvements directly related to the health, safety and welfare of the children
- Equipment specifically related to the care of the children: playground equipment, tricycles, resilient surfacing for playground areas, lockable cabinet for poisonous substances, cribs, cots, blankets, cubbies, books, curriculum, and infant care equipment
- Minor building maintenance, renovations, or repairs necessary to comply with health and safety standards required by the VDOE, or to meet necessary requirements for children with special needs, etc.

**Loan proceeds are used to make payments directly to vendor(s) or to reimburse borrowers for costs, supported by paid receipts, incurred after the date of written loan approval from the VSBFA.**

**Ineligible Loan Purposes:** Loan funds may not be used for:

- Refinance, consolidate, or repay any existing debts
- Purchase of, or improvement to, land
- Purchase, construction, or permanent improvement of any building or facility (except repairs necessary to maintain the health and safety of the children and child care providers during work hours)
- Office equipment, office supplies, or office furniture
- Provide working capital

**Program Loan Amounts and Terms:** The maximum loan amount for Family Home Providers is \$15,000 and the maximum term is 7 years.

**Personal Guarantees:** The program requires all individuals and business entities owning 20% or more of the applicant business (including a spouse owning 5% or more when the combined ownership of both spouses is 20% or more) to provide a personal guaranty of the loan.

**Program Fees:** At this time, no fees apply.

### **Application Help**

Below are descriptions to help you complete the *Child Care Financing Program Application*. If you have additional questions or need information, please contact the VSBFA at 804-371-8254 or email us at [VSBFA@sbsd.virginia.gov](mailto:VSBFA@sbsd.virginia.gov). Additional information about this program and the other services offered by the Department of Small Business and Supplier Diversity can be found at [www.sbsd.virginia.gov](http://www.sbsd.virginia.gov).

**Business Legal Type:** Provide the legal business structure of the business as registered with the State Corporation Commission (SCC). Examples are sole proprietorship, partnerships, LLC, LLP, C Corp, S Corp, Non Profit Corp. etc. State Corporation Commission can be found at [scc.virginia.gov](http://scc.virginia.gov).

**Annual Revenue:** Supply the last full year's revenue figure.

**NAICS:** The applicant's North American Industry Classification System code can be determined at <https://www.census.gov/cgi-bin/sssd/naics/naicsrch>.

**Business Owners:** List all owners, officers, directors, and general partners of business and stockholders or limited partners owning 20% or more of business. Include any spouses owning 5% or more when the combined ownership of both spouses is 20% or more.

**Loan Purpose and Collateral:** Describe specifically how the loan funds will be used. The uses must meet program guidelines above. Collateral can be a lien on business or personal assets.

**Projected Job Creation:** If loan will create or save *full-time* jobs enter data based on your best evaluation. This is not a requirement of the program.

**Projected Child Care Space Creation:** If loan will create spaces enter data based on your best evaluation. This is not a requirement of the program.

**Government Monitoring Data:** This data is used to determine the usage of VSBFA programs within the small business community. You are not required to provide this information, but are encouraged to do so. VSBFA does not discriminate on the basis of this information and this information will have no bearing on VSBFA's credit decision for this application. If you do not wish to provide the information a selection is provided.

**Woman-Owned, Minority-Owned, or Veteran-Owned Business:** Select yes if at least 51% of business is owned by one or more applicable categories.

### **Where and How to Submit an Application:**

**Email:** [VSBFA@sbsd.virginia.gov](mailto:VSBFA@sbsd.virginia.gov)  
**Express Mail:** 101 North 14th Street, 11th Floor Richmond, VA 23219  
**USPS Mail:** P.O. Box 446, Richmond, VA 23218-0446

### **Application Process: What to Expect from the VSBFA**

Completed applications will be reviewed and the Applicant will be contacted if additional information is required. Applicants will be notified of VSBFA's credit decision and if approved, the Applicant will be informed of the next steps in the process. Loan proceeds are used to make payments directly to vendor(s) or to reimburse borrowers for costs, supported by paid receipts, incurred after the date of written loan approval from the VSBFA.

**Checklist of Items to provide with this Application:**

- Completed and signed copy of this Child Care Financing Application;
- Certificate of Good Standing, Certificate of Fact, Certificate of Fictitious Name or equivalent from the SCC;
- Copy of Current State License issued by the Virginia Department of Education, including licensing capacity for current enrollment and breakdown and fees by age group;
- Current tuition rate sheet;
- Copy of valid driver's license for each guarantor and/or sole proprietor;
- Most recent interim financial statement;
- Most recent 2 years business tax returns or business financial statements of the Applicant;
- Most recent 2 years personal tax returns; current personal financial statements on all guarantors;
- Detailed quotes or invoices from vendors documenting eligible purchases to be financed with proceeds of loan;
- Consultation with Virginia Small Business Development Center Network <https://www.virginiasbdc.org>

**Legal Business Name of Applicant:** \_\_\_\_\_ **EIN:** \_\_\_\_\_

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

**Address:** \_\_\_\_\_ **Alternate/Cell Phone:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_ **County:** \_\_\_\_\_

**Contact Name:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**Business Website:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Entity Type:** \_\_\_\_\_ **NAICS:** \_\_\_\_\_ **Date Business Established:** \_\_\_\_/\_\_\_\_/\_\_\_\_

**License Type:**     VDOE Licensed                       Part of a Licensed Family Day Care System  
                           Voluntarily Registered                       Participant of USDA Food Program

**Annual Revenue:** \_\_\_\_\_ **Tell us about your Business:** \_\_\_\_\_

**Business Owners:**

Name	SSN	Address	Office Held/Title	% of Ownership

**Loan Amount Requested:** \$ \_\_\_\_\_ **Collateral:** \_\_\_\_\_

Yes     No    **Is this loan request a result of a licensing issue?**

**Loan Purpose:** \_\_\_\_\_

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

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

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_ **City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**SSN/EIN:** \_\_\_\_\_ **SSN/EIN:** \_\_\_\_\_

**Email:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**Phone:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

**Detailed Summary of Existing Business Debts:**

Creditor	Original Amount	Current Balance	Loan Date	Maturity Date	Payment M, Q, A	Payment Amount	Current: Y or N	Collateral

**Child Care Regulatory Status**

\_\_\_\_\_ Date your Child Care Facility was:  Licensed  Certified  Registered  Approved

**VDOE inspector who monitors your Child Care Facility:**

**Individual's Name:** \_\_\_\_\_

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

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

Yes  No Has your facility ever been investigated for a child care complaint?

**If yes please select the category of complaint:**

- |  |  |
|--|--|
| <input type="checkbox"/> Administration                                    | <input type="checkbox"/> Programs                                |
| <input type="checkbox"/> Staff Qualifications and Training/Personnel       | <input type="checkbox"/> Care of Children                        |
| <input type="checkbox"/> Physical Plant/Physical Environment and Equipment | <input type="checkbox"/> Record Keeping Responsibilities         |
| <input type="checkbox"/> Physical Health                                   | <input type="checkbox"/> Special Care Provisions and Emergencies |
| <input type="checkbox"/> Staffing and supervision                          | <input type="checkbox"/> Special Services                        |

Date of Complaint(s): \_\_\_\_\_

**Please provide copy(s) of the finding/disposition of the complaint(s).**

- Yes  No Is your facility on "enforcement watch" or pending closure?
- Yes  No Does your facility have an outstanding licensing violation?
- Yes  No Within the last 24 months has your facility had a licensing violation?

Please attach a copy of your current license or certification to provide child care.

**Certification as a Small Business:**

- Yes  No Does the business have 250 or less employees?
- Yes  No Does the business have less than \$10,000,000 in annual gross revenues over each of the last three fiscal years?
- Yes  No Does the business have less than \$2,000,000 in net worth?
- Yes  No Is the business currently operating in Virginia?

**Background Data:** Answer the following questions and provide comments on questions answered "yes"

- Yes  No Have any owners, officers, directors, guarantors, general partners, stockholders or limited partners owning 20% or more of the business ever been convicted of any criminal offense, other than minor motor vehicle violations?
- Yes  No Has the business or any owners, officers, directors, guarantors, general partners, stockholders or limited partners owning 20% or more of the business file or been adjudicated as bankrupt?
- Yes  No Is the business or any owners, officers, directors, guarantors, general partners, stockholders or limited partners owning 20% or more of the business involved in any pending lawsuits?
- Yes  No Does the business or any guarantors owe past due federal, state, or local taxes of any nature?
- Yes  No Is the Applicant, if a sole proprietorship, and all guarantors U.S. citizens or legal permanent residents?

**Comments:** \_\_\_\_\_

Yes  No **Are you a current or past VSBFA Customer?**

**How did you learn about the VSBFA or this Loan Program?**  SBSD Website  Bank Referral  Economic Development Staff  
 VSBFA Marketing Event  Other \_\_\_\_\_

**Current Employment and Projected Job Creation and/or Retention:**

"Permanent Full-Time position" means a job of indefinite duration at a business located within Virginia which requires the employee to work within Virginia; for a (i) a minimum of 35 hours per week for the entire year of the business's operation, for at least 48 weeks of the business's operation, (ii) minimum of 1,680 hours per year.

"Permanent Full-Time position" does not include

- seasonal, temporary, or contract positions,
- positions created by a business that is simultaneously closing facilities in other areas of the Commonwealth.

\_\_\_\_\_ Number of Permanent Full-Time positions currently existing in Virginia

\_\_\_\_\_ Number of Permanent Full-Time positions currently existing outside of Virginia

Number of Permanent Full-Time positions in Virginia Saved as a result of this Financing

Number of New Permanent Full-Time positions to be Created as a result of this Financing

\$ \_\_\_\_\_ Average Hourly Wage Rate

**Projected Child Care Positions:**

\_\_\_\_\_ Number of Existing Child Care Spaces

\_\_\_\_\_ Number of Existing Spaces Saved as the result of this Financing

\_\_\_\_\_ Number of Spaces Created as a result of this Financing

**Government Monitoring Data:**  I do not wish to provide this information

**Sex:**  Female  Male    **Ethnicity:**  Hispanic or Latino  Not Hispanic or Latino

**Woman-Owned Business:**  Yes  No    **Minority-Owned Business:**  Yes  No    **Veteran-Owned Business:**  Yes  No

**Race:**  American Indian or Alaska Native  Asian  White  Black or African American  Native Hawaiian or Other Pacific Islander

**Authorization and Certification:**

Applicants and Guarantors authorize the VSBFA to investigate all credit history, obtain credit reports, bank references, and any other information required to process this application and as it deems necessary. The undersigned hereby certifies that all information provided in support of this application is true to his/her best knowledge, and is submitted for the purpose of obtaining financial assistance from the VSBFA.

Because the VSBFA is a political subdivision of the Commonwealth of Virginia all information submitted with this application may be subject to a Freedom of Information Act request.

**Applicant:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**By:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Guarantor:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Guarantor:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Counseling Referral Form**

To be considered for a loan, the applicant must receive assistance from the Virginia Small Business Development Center network (SBDC) [www.virginiasbdc.org](http://www.virginiasbdc.org) or other counseling agency. Applicant is to complete Section 1 and counseling agency will complete Section 2. Return complete form along with loan application.

**Section 1 – Applicant**

**Applicant:** \_\_\_\_\_

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

**Counseling agency used:** \_\_\_\_\_

List courses and training completed. List business documents reviewed by counselor:

- Business Plan/Business Proposal
- Financial Request
- Financial Projections
- Other: \_\_\_\_\_
- Other: \_\_\_\_\_
- Other: \_\_\_\_\_

By signing below I request the counseling agency named above to certify completion of my coursework and training and review of the business documents completed.

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

**Date:** \_\_\_\_\_

**Section 2 – Counseling Agency**

By signing below I certified that the above applicant has completed the necessary courses, training, and completed the designation business documents.

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

**Date:** \_\_\_\_\_

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

**Title:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Comments:** \_\_\_\_\_

\_\_\_\_\_