

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:

- 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 804-786-1049 or email us at 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.

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.

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 to request a secure email link to submit your information
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 will be paid 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, 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-PnL, Balance Sheet, Cash Flow
- 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;
- Professional Development Certification from the Child Care Aware of Virginia Network <https://vachildcare.com/>

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 of 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

*Family Home Provider
Child Care Financing Program Application*

_____ 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 Child Care Aware of Virginia Network <https://vachildcare.com/> 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: _____
