**FAIM Program**

**Guide to Business Development Requirements**

FAIM’s goal is for your small business to provide income to support you/your family for the long-term so outside employment is not necessary. You are required to work with a mentor to create a business plan, budget, etc. The process can take several months to complete - we strongly recommend that you contact a business development center soon after starting your FAIM enrollment. Share this guide and FAIM’s templates for the business plan, budget, and use of funds with your business mentor.

1. **Business Plan** – **Your business plan *MUST BE DETAILED*, or it will be returned to you for follow up.** Your plan may be used to obtain a loan - anyone reading it needs to have a clear picture of your small business. Plan must include:
2. **Business info page – listing contact information for the business and owner**
3. **FAIM client’s experience/background/knowledge in the business.**
4. **Description of the goods/services to be sold**
5. **Market analysis**
6. **Marketing plan**
7. **Management and staffing plan**
8. **Financial projections (Income Statements, Balance Sheets, Cash Flow Statements)**
9. **Itemized projected business budget (Jan–Dec) for 12-24** **months of income and expenses**
10. **Explanation for your intended use of the FAIM funds for business (start-up or expansion)**. Describe how the purchases will be used/why they are needed to capitalize the business. Eligible use of program funds include:

* start-up expenses, equipment, rent (storefront 1st month/damage deposit), supplies, targeted marketing or advertising expenses, and inventory expenses.
* **The following are *NOT* eligible uses of FAIM funds:** recurring expenses (utilities, rent, etc.), miscellaneous, working capital, starting cash, etc.
* **Purchasing a vehicle for the business is very limited and requires pre-approval by FAIM Admin.**

1. **List for intended use of FAIM funds** – based on item “i” above, create an itemized list that breaks down the intended purchases and costs. The list must total at least the amount of your FAIM payout (savings+match).
2. **Work with a business development center mentor that is qualified to sign FAIM’s Business Plan Approval Form**
3. A qualified business plan reviewer (mentor) is from “a financial institution, a microenterprise development organization (SBDC, SCORE, NEON, etc.) or a nonprofit loan fund having demonstrated fiduciary integrity”
4. Contact a business development center to be assigned a mentor – this should be a free service.

* Before meeting, you need to have a sound idea for business start-up or expansion.
* The mentor will guide you in creating the business plan, budget, etc. with integrity/sustainability and will provide feedback on areas needing improvement.
* Use the mentor’s suggestions to revise your plan and budget. This may take several meetings.
* Meet with qualified reviewer/mentor for final review of plan, budget, etc. If all are complete and acceptable, reviewer fills in and signs the Business Plan Approval form.

1. **Obtain an Employer Identification Number (EIN) and complete a W9 form.**
2. Client must choose a name for the business rather than doing business under his/her legal name.
3. Apply for an EIN from IRS/US Treasury Department - even if operating as a sole proprietorship.
4. Social security number will NOT be accepted on your W9 form – no EIN means no FAIM payout.
5. **Register your business with the Minnesota Secretary of State**. The bank/credit union may require that you register your business in MN before you open the business account with them.
6. **Proof of current business checking or savings account open at an insured financial institution**.  If new business: copy of check/deposit slip with business information imprinted on it (no starter/counter checks), signed business account opening documents. If business account was previously opened – page 1 of the current monthly account statement.
7. **Client must retain a file of receipts, invoices, etc**. for purchases made using FAIM funds for a period of at least 7 years in case of tax audit or FAIM Program review.