

NEPA Circle of Aunts & Uncles Overview for Entrepreneurs

Purpose: The NEPA Circle of Aunts & Uncles is a multi-generational project that looks to provide low-interest loans and social capital to under-resourced and/or mission-driven entrepreneurs in order to co-create a more equitable, compassionate, sustainable, and vibrant local economy within or impacting Wayne County Pennsylvania.

Vision: We envision a prosperous local economy that supplies basic needs to the local population, works in harmony with our ecosystem, supports vibrant, joyful, and inclusive community life and has broad-based business ownership reflecting the demographics of our population.

Partnership with The Wayne County Community Foundation (WCCF)

Our NEPA Circle of Aunts & Uncles has a partnership with The Wayne County Community Foundation (WCCF), a public charity 501(c)3 foundation organized under the laws of the Commonwealth of Pennsylvania, operating in Wayne County, PA since 1991. WCCF shall serve as agent to receive and account for donations to the Fund. The WCCF will take recommendation from the contact persons for the Fund and issue local loans from the cash balance of the Fund. Servicing of these loans will be outsourced by WCCF to a local bank or similar local entity. WCCF shall provide the Fund's contact persons with a quarterly accounting of the Fund's cash balance, new contributions received, new loans issued, status of each previous loan issued (until repaid), plus the returned proceeds and fees charged. The Contact for entrepreneurs communicating with the Circle is <nepaauntsanduncles@gmail.com>

Loans: NEPA Circle of Aunts and Uncles loans may not exceed \$12,000 or 3 year term, at between 2% and 4% annual interest rate, with monthly principal and interest payments and no penalties for early repayment. Balloon or delayed payments of principal may also be specified. Loans are given for a specific purpose such as purchase of equipment, not general operating funds, non-material expenses such as travel or paying off other loans.

Social Capital: NEPA Circle of Aunts & Uncles leverages non-financial resources to support our entrepreneurs and their businesses beyond loan dollars. The group has extensive professional experience and connections in many sectors. For example, Aunts and Uncles may spread the word about the business to friends and colleagues, become customers themselves, provide marketing, management or sales advice and/or make connections to potential buyers, reporters, seasoned colleagues in the same industry, local suppliers, storage opportunities, real estate or legal professionals and/ or other resources.

Business sector: Our interest is in businesses that are helping to build local self-reliance in basic needs for our region: sustainable agriculture and food; renewable energy and no-emission transportation; sustainable clothing and textiles; green building materials and construction; household supplies such as eco-friendly cleaning products; repair/reuse/recycle/compost; health, well-being, and personal care products and services; household furnishing, crafts and artisanal products; independent media; local arts and culture, neighborhood tourism, and technology that supports our local economy.

Geographic focus: Within or impacting Wayne County, PA.

Business requirements:

- Must be currently in business and have generated revenues for at least the last six months.
- Have a separate business bank account from their personal bank account.
- The entrepreneur who applies and will work with Aunts & Uncles is the majority owner.
- The entrepreneur is a US citizen (including naturalized) or resident alien.
- The entrepreneur is at least 21 years of age.

Priority is given to entrepreneurs in the following categories:

1. Social Justice

- The entrepreneur can demonstrate limited financial means.
- The entrepreneur is from a historically marginalized community/population, traditionally excluded from business ownership, i.e. women and people of color. And/or entrepreneur is providing living wage jobs and/or needed products or services in those communities.
- Pays employees a living-wage.
- Pays fair trade prices when purchasing from suppliers.

2. Environmental Sustainability

- Aspires to learn about and embrace eco-friendly business practices, such as:
 - Buys 100% renewable electricity.
 - Reduces packaging and other waste.
 - Buys recycled paper and other office supplies.
 - Makes use of waste from other businesses as inputs.
 - Reuses boxes and other products rather than discarding.
 - Recycles paper, plastic and aluminum.
 - Purchases sustainably grown food, textiles, wood and other products as much as possible.
 - Composts food waste.
 - Purchases local pasture-raised meat, poultry and eggs (rather than from factory farms.)

3. Building our Local Economy

1. Type of Business (our primary interest is in the first type of business, but the other two are also valued):
 - a. Local production for local consumption- The business provides a product or service needed by the region to build local self-reliance, including production that replaces imports with locally produced products, retailers selling locally produced products, or distributors who are building the local supply chain.

- b. Imports - The business imports products not available locally using fair trade practices that provide a living wage to the producers where products originate.
 - c. Exports - The business exports sustainably produced products needed in other communities once local needs are met, providing jobs locally.
2. Local Sourcing - The business purchases supplies and other inputs from local businesses and farms as much as possible, helping to build stronger local supply chains.
3. Growth Strategy – The entrepreneur develops growth and exit strategies that maintain local, independent ownership, i.e. not selling to a publicly traded corporation, but rather to employees, family members or another local entrepreneur.
4. Measurement of Success – The entrepreneur does not measure success by profit alone, but by the impact of its business on people (employees, suppliers, customers, community), and the natural environment. This is also referred to as measuring success by the triple bottom line of people, planet and profit.

Application Process:

The following five steps outline our application process. All forms should be submitted to [<nepaauntsanduncles@gmail.com.>](mailto:nepaauntsanduncles@gmail.com)

Step One: Borrower In-take form

If you are connecting to the NEPA Circle of Aunts & Uncles through our website, rather than through a personal relationship, please first fill out the Borrower In-take form with basic information. If you are not qualified, this will save you the time of filling out a lengthy application. The Borrower In-take form can be found online at: <https://www.waynefoundation.org/funds/nepa-circle-aunts-and-uncles>.

Step Two: Screening

The Loan Application Committee will follow up with you either in person, at a site visit or over the phone to gather more information. This interview helps the NEPA Circle of Aunts & Uncles gauge your readiness for a loan and other types of support. If we feel that the group can make valuable contributions to your business, you will be notified and invited to attend the next Gathering of the NEPA Circle of Aunts & Uncles.

Sometimes, the Loan Application Committee might recommend you to an Advisor Organization to help you further develop your business plan and model. Our Advisor Organizations include but are not limited to: The Stourbridge Project, *Honesdale, PA* and The University of Scranton Small Business Development Center, *Scranton, PA*.

Step Three: Loan Application

After the Loan Application Committee determines that you are a good fit for the NEPA Circle of Aunts and Uncles – meaning that the reviewers believe that we can provide real value to the business through a business loan and social capital, you will be asked to submit a Loan Application that will provide much more detail into your business and background.

The Loan Application can be found online at:

<https://www.waynefoundation.org/funds/nepa-circle-aunts-and-uncles>.

Your final paper application will need to be mailed to (or dropped off at) prior to The Gathering:

Wayne County Community Foundation, 214 Ninth Street, Honesdale, PA 18431

Before receiving funds, you must also provide your information on the Credit Application from HNB. Keep in mind that perfect credit isn't necessary to obtain a NEPA Circle of Aunts and Uncles loan.

Step Four: NEPA Circle of Aunts and Uncles Gathering

The NEPA Circle of Aunts and Uncles holds four Gatherings each year. Two entrepreneurs are chosen to present their business. This is not a competition. We hope that loans will be made to both applicants. The Gatherings are informal, usually held in the home of an Aunt or Uncle, and begin with a buffet dinner. During this time, the entrepreneurs are introduced to the other Aunts and Uncles.

Following dinner, the entrepreneurs have ten minutes to present. Use the following to guide your presentation. The process is friendly, but it's ultimately helpful to you to be able to elevator pitch your business in ten minutes or less.

1. Tell your story and why you started your business.
2. How does your business benefit your community?
3. How much are you requesting in your loan, how will you use it, and how will the loan increase sales and/or decrease, request support and present their loan request?

Expectations from the Applicant should be clarity, professionalism/timeliness and good preparation.

Questions and discussion will follow. After the presentations and questions, the entrepreneurs leave and the Aunts and Uncles make their final decision. You will be notified of their decision within 3 days of the gathering.

Step Five: Subcircles

When you receive the loan, you will be assigned a sub-circle of the NEPA Circle of Aunts and Uncles to support you and your business. Every effort is made to engage Aunts and Uncles who will have the most to contribute to that business, such as professional expertise, connections to customers and familiarity with the market. Sub-circles meet periodically during the term of the loan, according to the needs of the entrepreneur. Some sub-circles only meet once and others meet multiple times over the years.

Sometimes a loan is not made until assistance is given in areas that need improvement. In this case, once the entrepreneur has demonstrated readiness and has a clear and compelling Loan Application, the sub-circle reports back to the full circle to recommend a new loan or second loan if the first is being repaid on schedule.

The entrepreneur is responsible for keeping the sub-circle informed of their progress, directly or through the Aunts & Uncles loan fund manager at The Wayne County Community Foundation.

Spending the loan funds

You must only spend the loan money for the purpose for which it was given. If you would like to change the use of the loan, you must ask permission through the loan manager and subcircle. Once the loan money in part or in full is spent, please report to the loan manager and subcircle that you have successfully used the loan money for its intended purpose.

Quarterly Reports

The entrepreneurs send quarterly financials to the <nepaauntsanduncles@gmail.com>, who will share with the Aunts & Uncles, and report any major progress or challenges they are experiencing.

Increasing or decreasing credit standing

The Aunts & Uncles hope that all of our entrepreneurs succeed. Increasing credit worthiness and bankability for mainstream credit is an intended outcome of this loan program. Defaults will negatively affect your credit rating, hurt your reputation, hurt the person/organization that recommends you for a loan, and also hurts other businesses who would have benefited from the loan money.

You will also be asked to provide copies of the following documents:

- Last year's year-end profit & loss statement, if applicable.
- Last month or quarter's profit and loss statement with year-to-date figures
- Current Balance Sheet showing assets and liabilities
- Current business plan, if available
- Your resume

Giving Back

We hope that entrepreneurs in our program who succeed are willing in the future to help emerging entrepreneurs by mentoring, advising and perhaps even becoming an Aunt or Uncle!

We wish you all the best in your business and career.