

# Guide to Sponsors

The largest expense in administering the Youth Marketplace program is the cost to reproduce and bind student workbooks. If the school does not have the means for reproducing the workbooks, then a sponsor may be asked to underwrite the costs. Sponsors may include:

- Area School-To-Work fund
- Local grant fund
- Business(es)
- Chamber of Commerce or economic development organization
- Private individual(s)

Sponsors or additional sponsors may be able to help by providing awards, banners, facilities rental costs, or other materials required to ensure a successful program.

A bank (preferably) or other financial resource organization must be identified that is willing to allocate funds for student business loans. The Coordinator's role is to explain the program to the potential financial sponsor and explain what is expected of the individual and/or organization.

- a. Each student team will prepare a statement of start-up costs along with their business plan to present for funding of materials for their business. The sponsor will be asked to produce cash for the cumulative amount of loans requested for each business. Student teams will return the amount borrowed, plus interest, to the sponsor. Assure the lender that if the students do a good job preparing their business plans, all student businesses will be profitable. You may want to discuss options, however, in the event someone doesn't break even and is unable to pay back their loan.
- b. The students will need a starting cash fund of \$20 in order to make change for their customers at the Youth Marketplace Event. The coordinator may want to ask the sponsor to loan the program \$20 per team in order to provide a starting cash fund for the students. A form for students to record their starting cash fund information is included in this guide.
- c. Ideally, the sponsor would serve as the invited Guest Speaker to kick off the Financial Unit of the Youth Marketplace curriculum. That talk could include a discussion of loan interest.
- d. The sponsor may choose to conduct loan interviews with all or a few of the student teams to demonstrate what securing a loan is really like for applicants. Loan interviews may be conducted at the classroom or on a field trip to the sponsor's organization, e.g. the bank.
- e. The sponsor may require that each student business sign a Youth Marketplace promissory note documenting their loans.
- f. The coordinator should work with the sponsor to determine loan interest formulas for the Youth Marketplace program and possibly set a maximum limit on loans per business.
- g. The bank may also be in a position to lend bank money bags to the students to use during the Youth Marketplace event (also a good way to gain sponsor recognition).

# Sample Promissory Note

## Youth Marketplace Promissory Note

Date September 25, 2000

Today, Youth Marketplace Bank loaned Kate's Copy Store \$20.00 at an interest rate of 10%. Principal and interest will be due on or before October 28, 2000.

As collateral for this promissory note, the undersigned agrees to pledge a first lien on all supplies and finished goods inventory owned.

We, the undersigned officers of Kate's Copy Store understand and agree to the above terms and promise to repay the money borrowed as outlined.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

# Sample Starting Cash Fund

Company Name: Birdhouse Boys

## Youth Marketplace Starting Cash Fund

Qty.	Denomination	Total
4	\$.05	\$.20
3	\$.10	\$.30
2	\$.25	\$.50
4	\$1.00	\$4.00
1	\$5.00	\$5.00
1	\$10.00	\$10.00

Money loaned interest free by US Bank.

Total of \$ 20.00 will be returned to  
Ms. Keppler by May 3, 2002.

