

Family Child Care Start-up Forgivable Loan Program

Managed by the St. James Economic Development Authority

507-375-1289

Purpose

The Family Child Care Start-up Forgivable Loan Program through the St. James EDA provides an incentive to start a new family child care service in Watonwan County. The program provides a matching forgivable loan for actual expenses relating to the cost of opening a family child care business in Watonwan County, up to \$ 1,000.00 per provider. Qualifying expenses must be approved by the Watonwan County Child Care Licensor and the St. James EDA Director. Approved requests will be funded on a first come/first-served basis until all funds are expended.

Eligibility

Only new family child care providers located in Watonwan County are eligible for the loan program.

All items for which the applicant is requesting funds must be approved by the Watonwan County Licensor and the St. James Economic Development Authority.

A suggested list of items which are eligible is listed as follows: Licensing fee, zoning fees, background study fee, pre-licensing training, Fire Marshall visit (if needed), smoke detectors, fire extinguishers, outlet plugs, stationary baby gate, fire said kits, utensils/plate/cups, Pack n Play, Pack n Play sheets, costs, high chair/booster seat/ fluid cleanup kit, potty seat/chair, monitor, toys for each age group, craft supplies, strollers.

Project Guidelines

Program oversight and authority for loan approval is delegated to the City of St. James Economic Development Authority Director or the City Manager. Staff shall review loan applications and may approve loan issuance after the following guidelines:

Completed applications will be reviewed on a first come, first served basis.

Loan Disbursement

Following loan approval the recipient will execute a promissory note. Awarded loan funds will be dispersed to the child care provider upon submittal of receipts or invoices for supplies purchase.

The loan will not accumulate any interest.

The amount of the loan will be due and payable to the St. James EDA three years following disbursement of the loan funds. If, however the child care business to which the loan is granted remains

in business in the three years following the disbursement of the loan funds, the loan shall be forgiven by the St. James EDA. Loan forgiveness will be prorated at a rate of 1/3 per year.

Policy and Application (PDF)

This policy and the application can be downloaded by clicking [here](#).

This loan program was funded by Madelia Area Redevelopment Commission and the St. James EDA.