



Chippewas of Nawash Unceded First Nation
Small Business Loan and Grant Program
Policy

Accepted July 8, 2015 – Chippewas of Nawash – BCR #229

Amended: September 25, 2020 – BCR #482

1.0 OBJECTIVES

- 1.1 To provide a source of financial assistance for Chippewas of Nawash Unceded First Nation status members for business plan development, new business start-ups or expansions to an existing business.
- 1.2 To help promote Chippewas of Nawash Unceded First Nation status members in various sectors of the business community to increase their opportunities for economic development through the advancement of marketable skills.

2.0 PROGRAM DESCRIPTION

- 2.1 The Chippewas of Nawash Unceded First Nation Council maintains a separate revolving loan fund called the “Chippewas of Nawash Unceded First Nation Small Business Loan and Grant Program”.
- 2.2 The loan and grant funds are to be used to create new businesses and to assist existing businesses to expand in order to increase viability and increase revenue.
- 2.3 The Small Business Loan and Grant program will issue a call for applications twice per year (suggested March 15 & September 15).

3.0 GRANT ELIGIBILITY (Definition: Gift/Donation)

- 3.1 Eligible Recipients must:
 - a) be a status member of the Chippewas of Nawash Unceded First Nation who resides in Ontario;
 - b) not have received more than (4) four grants from the Small Business Loan and Grant Fund;
 - c) have submitted an evaluation of previous funds received.

4.0 LOAN ELIGIBILITY (Definition: Repayable)

- 4.1 Eligible Recipients must:
 - a) be a status member of the Chippewas of Nawash Unceded First Nation who resides in Ontario;
 - b) have no outstanding arrears or debts with the Chippewas of Nawash Unceded First Nation, this will be verified by Finance;
 - c) demonstrate an equity investment in the proposed business;
 - d) provide demonstrated ability to repay loaned funds;
 - e) have submitted an evaluation of previous funds received.

5.0 ELIGIBLE PROJECTS

- 5.1 The business identified by the applicant cannot be operated within another business unless it has been demonstrated that the businesses are independent of each other.
- 5.2 For profit businesses that will establish, update or expand an existing business.
- 5.3 Economic and marketable skill projects that have an emphasis on leadership in the following areas:
 - a) To build a strong economic base in Indigenous communities by engaging youth, Elders, low income, and persons with disabilities in community;
 - b) To maintain a strong complement of Indigenous personnel, governance, apprenticeship and trade skills;
 - c) To involve training, education, and development of culturally appropriate practices;
 - d) To plan for financial sustainability;
 - e) To promote community development strategies, healing models and processes that reflect the wisdom, tradition, teachings, and values of Indigenous community and worldview;
 - f) To increase Business acumen ie: develop confidence, resolve conflict, time management, financial management, and to develop business plans to increase business potential.
- 5.4 Where applicable, applicants must provide documentation of land tenure. (certificates of possession, permits, licenses, leases etc.)
- 5.5 A quote, estimate, invoice or commercial advertisement showing product cost must be submitted to substantiate funding request.

6.0 INELIGIBLE PROJECTS

- 6.1 Businesses based on religious, charitable or gaming activities are excluded from the Small Business Loan and Grant Program.
- 6.2 Activities involving:
 - a) the purchase of shares in a corporation;
 - b) professional fees (i.e. legal, accounting or appraisal);
 - c) survey costs;
 - d) covering another loan or debt repayment;
 - e) medical expenses.

7.0 ELIGIBLE GRANT FUNDING LIMITS

- 7.1 The Small Business Loan and Grant Program may offer up to (4) four Grants to eligible applicants over the course of the Program but may not exceed \$8,000.00 at any one time:
- a) Business Start up Grant in the amount of \$5,000.00
 - b) Business Expansion Grant in the amount of \$5,000.00
 - c) Business Planning Grant in the amount of \$2,000.00
 - d) Business Marketing Grant in the amount of \$3,000.00

Once an applicant has successfully obtained a Grant from a, b, c, or d they will no longer be eligible to apply for any additional Grants.

8.0 ELIGIBLE LOAN FUNDING LIMITS

- 8.1 The Small Business Loan and Grant Program may offer Loan funding to a successful applicant in an amount not to exceed \$8,000.00 at any one time. Applicants must repay the first loan before receiving any further loans.
- 8.2 In the event that there are more funds applied for than available the application priority will be assessed in the following order:
- a) first time applicant
 - b) the level of personal financial commitment and investment in the business by the applicant as demonstrated within the budget template

9.0 TERMS OF FINANCING FOR LOAN FUNDING

- 9.1 The following terms of financing may be used as a guideline:
- a) the date for the first payment of principal and interest will generally commence 60 days from the date of the loan disbursement;
 - b) the successful applicant must make payments on principal and interest monthly thereafter;
 - c) all loans must have regular payment schedules;
 - d) the minimum rate of interest will be Bank of Canada Prime + 2% simple interest, based on risk assessment;
 - e) loan guarantees shall be supported by securities.

10.0 LOAN SECURITIES

- 10.1 Security of loan may include, but is not limited to, collateral that is equal to, or more than, the amount loaned (land being the most acceptable), assignment of insurance, general security agreements and personal guarantees.

11.0 LOAN ARREARS

- 11.1 A loan shall be deemed in arrears if no payment has been received within ten days of the due date or immediately if a cheque issued by a borrower has been confirmed as not redeemable because of nonsufficient funds (NSF). One reminder notice will be issued to the borrower by registered mail. The borrower will be required to submit a NSF fee of \$35.00.
- 11.2 Should the borrower make the required arrears payment in a timely manner before a default letter is issued, the borrower shall only be charged an administration fee of \$15.00 for the late payment.
- 11.3 If the required payment is not received within thirty days, the loan will be deemed to be in default and immediately after a five day grace period for mail, a letter shall be issued to the borrower by registered mail indicating that:
- a) the loan is in default and the full balance of the loan is due and payable;
 - b) and that if the full balance of the loan is not paid within thirty days of the date on the default letter, collection will be initiated and/or repossession action per the loan agreement through legal counsel.

12.0 OTHER CONDITIONS

- 12.1 Successful applicants shall be required to submit copies of receipts for purchase of services, equipment tools or supplies. The applicant will also be required to complete an evaluation of the effectiveness of the Small Business Loan and Grant Program. This will be due within one year of receiving funds, and/or before any future applications for funding are received.
- 12.2 Letters of support will enhance the eligibility of your application.

13.0 APPLICATION PROCESS

- 13.1 All loan and grant applicants must provide a completed Application Form which sets out the following:
- a) that they meet the minimum eligibility requirements for the Small Business Loan and Grant Program;
 - b) a description of the proposed, new or expanded business.
- 13.2 The Chippewas of Nawash Unceded First Nation Chief and Council give formal/final approval of the Grant or Loan.

14.0 APPEAL PROCESS

- 14.1 If loan or grant funding has been denied for whatever reason, an applicant may appeal the decision to the Chippewas of Nawash Unceded First Nation Chief and Council.

15.0 SMALL BUSINESS LOAN AND GRANT PROGRAM EVALUATION

- 15.1 The Small Business Loan and Grant Program may be amended or improved from time to time through a recommendation to the Chippewas of Nawash Unceded First Nation Chief and Council for approval.
- 15.2 Applicants will be asked to complete an evaluation on the effectiveness of the Small Business Loan and Grant Program and how it enhanced their Business. The data collected will be considered in any amendments or improvements as well as, when considering future applications.