

4.1.2 Pilot Projects

Funding for an approved pilot project will be 20% of the total cost, provided such cost does not exceed \$ 5,000.00. Therefore, the maximum funding will allow business proponents to attempt a venture on a smaller scale before launching into it full-time.

4.1.3 Leasing Businesses

Leasing business proposals will be assessed on the basis of contract commitments made to the proponent. Funding for an approved leasing business will be limited to that of a short-term loan (maximum \$10,000.00) for the business proponent's first down payment on the leased equipment and/or materials.

4.1.4 Community Projects

Funding for community projects may be considered, depending on the availability of financial resources.

4.1.5 Existing Businesses

Existing businesses are also eligible for funding for the purposes of business expansion and must submit financial statements as requested.

Applicants who have already received funding under this Program can benefit from a loan equivalent to the equity participation of the promoter not exceeding \$20,000.

No more than three (3) loans per businessperson can be obtained under this Program and the applicant cannot benefit from more than one loan at a time.

5. LOANS AND GRANTS

5.1.1 Loan Repayment

Loans are interest-free for the first 3 years.

Regular payments are expected after the first month of operations in accordance with the amounts stated in the business plan.

The promoter has an option on the number of years for repayment of the loan up to a maximum of 5 years; interest will apply or last two years, on balance of payments.

5.1.2 Outstanding Loans Interest

A loan becomes outstanding when regular payments are not made as specified in the Contribution Agreement; the interest rate will automatically start on payments, prime + 2%

5.1.3 Interest

The first three years of a loan granted by the board are interest-free.

5.1.4 Seizure

- The board uses all legal means available to recoup its investment in a business enterprise.
- Advances will no longer be approved, except as specified in **4.1.2**
- Since buying of shares in a business is a personal investment with some degree of risk, funding will not be provided to individuals for this purpose.
- Payment of outstanding debts for businesses.

5.1.5 Exclusions

No further loan or grant will be approved for a business with an outstanding loan or advance from the board. A business entrepreneur who has failed in a particular venture will not be permanently excluded from receiving business funds but will be excluded from funding for a period of not less than 2 years and not exceeding 7 years. Each promoter's case will be assessed individually.

COMMUNITY ECONOMIC REVIEW BOARD



POLICIES/GUIDELINES ON LOANS & GRANTS

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1. GENERAL FUNDING PRINCIPLES

The Cree Nation of Mistissini Loans and Grants Program for Economic Development are to assist the members of the Cree Nation of Mistissini to be more productive and competitive in the business sector, thus improving the standard of living and quality of life in Mistissini. This program is intended to help grow a dynamic and innovative economy that supports a stronger business sector and develop a more sustainable economic, environmental and social future for the people of Mistissini.

The Program offers support by granting loans and grants to eligible entrepreneurs to establish a business and to existing entrepreneurs that are proposing to carry out a particular commercial activity.

Eligibility of the Applicant and of the Project

- a) be a member of the Cree Nation of Mistissini
 - i. be at least 18 years of age, and
 - ii. be domiciled in Mistissini

OR

- b) be a corporation, partnership or other form of legal entity that is 51% owned by Cree person (s) who meets the conditions established in the previous paragraph.

AND

- c) no outstanding debt to the Program:

AND

- d) demonstrate capability to provide the equivalent of 10% in equity of the project costs;

Moreover, the Project must;

- e) be related to business activities approved and authorized by a resolution of the Council;
- f) take place within the Mistissini traditional Territory.

2. FUNDING PROCESS

For accepted proposals, a decision to conduct a feasibility study or a business plan will be made on the basis of Administration's recommendation and quotation for the feasibility study.

An applicant who wishes in a first phase to obtain a grant up to a maximum of **\$5,000.** for developing a business plan or a feasibility study may submit a letter of intent in this respect to the Board. In this letter of intent, the Applicant must demonstrate that he/she meets the basic conditions established eligibility.

2.1.1 Funding Categories

Funding is presently allocated within the following categories;

➤ **Administration:**

Cost pertaining to funding, including travel and meeting costs.

➤ **Resource Development**

Training, seminars and workshops for the development of business plan, pre-feasibility and feasibility study, community study, and/or pilot project.

➤ **Economic Development**

New and existing businesses

2.1.2 Funding Sources

⇒ Department of Indian & Northern Affairs Dept.

⇒ Cree-Quebec Fund

3. Business Plan

The applicant must submit his/her request for the program by using the Application Form.

It is recommended that the Applicant meet with the Officer or Coordinator to discuss the project, prior to submitting his/her request.

- a. Promoter requests for funding for business plan, including quotation.
- b. Board decides on funding conditions and informs Administration.
- c. Council Resolution and support requested.
- d. Board reviews business plan for funding.

4. TYPES OF BUSINESS ENTERPRISES

4.1.1 New Businesses

The following funding is available to first time applicant (s):

- a) a grant of a maximum of **\$5,000.** for the development of a business plan
- b) a loan of a maximum of **5%** of the project costs;
- c) a grant of a maximum of **10%** of the project costs.

Total contribution provided under (b & c) cannot exceed **\$50,000.**

As means of encouraging business development in specific areas deemed important by the board, a 10% grant – 5% loan will be granted only to specific types of businesses. The list of specified businesses will be reviewed and revised periodically.