



Indigenous Women's Entrepreneur Program Information

The Indigenous Women's Entrepreneur Program is part of the National Aboriginal Capital Corporations Association (NACCA) initiative to provide training, resources, and funding to Indigenous women wanting to start or expand a business. Community Futures North Central Development delivers the program to all of Northern Manitoba and its office is located in Thompson, Manitoba.

Services offered include:

- Business Counselling
- Advisory Supports
- Start-Up Assistance
- Training & Workshops
- Skills Development
- Aftercare Services
- Access to Micro-Loan Funds

Micro-Loan Funds Guidelines

Maximum Loan Amount

Loans of up to \$20,000 are available to assist Indigenous Women entrepreneurs to start-up or expand their businesses. A portion of the loan (up to a maximum of 45%) is forgivable and is determined on a case-by-case basis.

Interest Rate

Interest rates vary and are determined on a case-by-case basis but generally range from prime +2 to prime +7.

All loans are at a fixed rate of interest for the term of the loans. This rate is the interest rate that is in place at the time the loan is approved.

There is no penalty for early repayment.

Security

A promissory note will be taken as security and a general assignment of inventory and assets might be taken when appropriate and available.

Equity

A minimum 5% cash or in-kind equity is required from applicants to access these micro-loans. Other grants may also be considered as equity.

In-kind contributions such as donated furnishings, equipment, computer, vehicle and other resources provided without charge by an applicant may be considered as part of equity, providing these contributions are estimated at fair market value and are deemed essential to the proposed financing package. Because of the difficulties of ascertaining fair value, “sweat equity” is not generally considered eligible.

Term

In most cases the term of the loan will be a range from 3 to a maximum of 5 years.

Eligibility Requirements

Applicants must meet all eligibility requirements to apply for a micro-loan. This would include evidence of Aboriginal ancestry, proof of available cash equity and fair market value of contributed assets, and evidence of business ownership (not generally required for sole proprietorships), which should be submitted along with the signed loan application.

Eligible Applicants

Indigenous (First Nations, Metis, and Inuit) women who majority own (51%) and operate their own business are eligible. Applicants must demonstrate they are actively involved in the business and are integral to its ongoing operations. Effective control is defined as Female Applicants having:

- long-term control and management of the business and are actively engaged in the operation, management and ownership of the business;
- an active role in strategic decision making and being involved in elements related to the establishment of priorities and overall operations of the business;
- an integral involvement in the business’s ongoing operations including the day-to-day decision making, financial management, human resources, supply management, and/or customer services;
- a majority (51%) equity stake in the ownership of the business. Husband and wife partnerships are considered a 50% - 50% ownership, therefore, in these guidelines, are not considered eligible.

For-profit organizations such as sole proprietorships, partnerships, social enterprises, incorporated companies, corporations or co-operatives are eligible.

Ineligible applicants include not-for-profit organizations and Government or municipal entities.

Eligible Projects

Eligible projects include capital projects involved in the establishment or expansion of a business aimed at generating revenue for the business. Projects must:

- have a reasonable expectation of economic viability;
- demonstrate economic benefits (e.g. number of jobs created or maintained by the project, impact on productivity, project-related revenue growth); and
- demonstrate existing managerial and financial capacity to implement the project.

Eligible Activities

Capital project costs related to the establishment and ongoing operations of a business are eligible.

Eligible Costs

Eligible costs include all costs necessary to carry out the project that are deemed reasonable. Quotes for all costs are required. Inventory and working capital are eligible but must be supported by a cashflow statement. Generally, no more than 3 months inventory and/or working capital will be financed at one time however this can be exceeded depending on circumstances.

Project costs must not have already been incurred without prior approval. Eligible costs include, but are not limited to:

- cost of external labor to complete project;
- capital costs: purchase of machinery, equipment, leasehold improvements and renovations;
- operating and working capital costs: inventory, pre-paid start-up costs, insurance, etc.;
- marketing and promotional material costs; and
- other costs necessary to support the purpose of the funding.

Advisory expenses are also eligible and could include:

- fees for business advisory services;
- coaching, mentoring or networking events, workshops or conference fees;
- legal/accounting/technical supports; and
- fees associated with participation in business training.

Ineligible Costs

Ineligible costs include but are not limited to:

- renovations to personal living space unless these can be shown as necessary for the business;
- passive real estate transactions (land acquisitions) that do not create employment;
- vehicle purchases which will be primarily utilized for personal use;
- refinancing of existing debt;

- general ongoing operating costs that should be financed through operations;
- acquisitions without independent financial statements and a certified business valuation;
- non-arm's length transactions;
- the purchase of goods or services where a commitment has been made prior to approval of loan without AFI approval in advance;
- the purchase of any assets for more than the fair market value; and
- the costs of amortization and goodwill.

Other

A financing plan listing the sources and uses of all funds must be included in the application.

Financial statements may be required for existing businesses.

Financial projections will generally not be a requirement of a micro-loan however cashflow projections for the first year of operation will be required and a template is part of the business planning guide.

For more information contact:

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