



MNCFN BUSINESS GRANTS  
PROGRAM INFORMATION PACKAGE

2010-2011

# MISSISSAUGAS OF THE NEW CREDIT FIRST NATION BUSINESS GRANTS PROGRAM

## OBJECTIVE

The MNCFN Business Grants Program provides financial aid in the form of Equity gap@ funding to eligible New Credit Band Members via the MNCFN Community Trust. The objective is to enable the project proponent to use the funding to lever conventional debt financing for business start-ups or expansions in order to pursue business opportunities.

## DELIVERY MECHANISM

The program is delivered through the MNCFN Community Developer. Project proponents are required to submit an acceptable business plan that documents an opportunity to establish or expand a viable business. All acceptable proposals, that meet program guidelines, will be assessed by the Community Developer using standard business case criteria. Subsequently, the Project Review Board (PRB) will review the due diligence assessment and related documentation and recommend approval or denial of financial support for the project.

## ELIGIBILITY

ELIGIBLE RECIPIENTS: Mississaugas of the New Credit First Nation Band Members that:

- have submitted an acceptable business plan;
- can substantiate an opportunity to establish or expand a viable business and demonstrate the need for an equity contribution to complete the financing package; and
- can demonstrate sufficient knowledge and experience to meaningfully manage or participate in the proposed venture.

ELIGIBLE PROJECTS: For-profit plans that will establish or expand a viable business, and thereby create sustainable jobs, and enhance community wealth.

All projects are required to meet the following conditions:

- **where necessary**, completion of an environmental screening and identification of all necessary mitigation measures as per the Canadian Environmental Assessment Act or applicable acts;
- **where applicable**, acquisition of required land tenure (permits, licenses, leases); and
- completion of a market analysis assessment which confirms a competitive environment that will not dislocate existing businesses.

## ELIGIBLE FUNDING LIMITS:

All projects will be subject to the following conditions:

### **START-UPS**

**MNCFN's grant contribution cannot exceed \$5,000;**

### **EXPANSIONS**

**MNCFN's grant contribution cannot exceed \$5,000;**

### **PLANNING**

**□MNCFN's grant contribution cannot exceed \$2,000;**

### **MARKETING**

**□MNCFN's grant contribution cannot exceed \$3,000;**

### **AFTERCARE**

**MNCFN's grant contribution cannot exceed \$2,000;**

Applicants are encouraged to access funding from other programs, such as Aboriginal Business Canada, Heritage Canada, Aboriginal Capital Corporations, etc.

## AWARD LIMITS

Applicants will be eligible for a one-time award per level of application (i.e. applying first for planning assistance and applying again for start-up dollars.) Each application will be reviewed on a case-by-case basis and in all instances there must be proof of viability.

All grant contributions will not exceed an amount sufficient to complete the project's financing package.

## REQUIREMENTS

***If any of these requirements are not met, the application will not be processed or reviewed.***

- 1) All applicants will be required to have an equity contribution to the project with a cash value equivalent to 5% of the total project cost. When calculating the eligible owner's contribution, unencumbered assets relative to the purpose of the business, sweat-equity, and cash will be considered recipient equity.
- 2) All applicants will be required to identify confirmed debt financing for the project in addition to their contribution as well as the MNCFN Business Grants contribution.

3) All applicants will be required to identify within a resume or curriculum vitae that they are an integral part of the proposed project. Grant applications will not be accepted from individuals applying on behalf of family members, friends or acquaintances for business projects that do not involve the applicant as a key part of the operations package, be it by skill, knowledge, education, or general management capabilities.

4) All applicants must be recognized as being free from outstanding debts to the Mississaugas of the New Credit First Nation based on the MNCFN Arrears Policy.

### **ACCOUNTABILITY**

Proponents, in co-operation with the Community Developer, must submit a Project Status Report outlining the status of the funded project. The report must indicate the progress that has been made in the areas of employment creation, skills enhancement, as well as economic sustainability. The report is to be submitted one year after the proponent has received project funding.

## **WHY SHOULD I PREPARE A BUSINESS PLAN?**

Starting a business without a business plan is a little like building a house without a blueprint. You may still end up with four walls and a roof, but they may not keep the rain out. If you are not convinced that a business plan is a vital first step for your budding business idea, here are some good reasons to get you moving.

### **You can assess your business before you start:**

Some questions you should be asking yourself (and answering in your business plan) are:

- What exactly is the purpose of my business?
- How good is my concept?
- Are customers willing and able to purchase my product or service?
- Do I have the necessary abilities to start this business?
- Am I willing to take the risks of a new venture?

### **You can determine if you have enough money to run your business:**

By taking the time to plan a cash flow estimate of sales and expenses on a month-to-month basis you'll be able to assess whether or not you have enough operating capital to carry your business in the difficult early months.

### **You can do a marketing plan that is based on fact:**

By putting the actual figures down in black and white, your market survey is no longer just a guess and will have some validity. Preparing the marketing plan for your business enables you to investigate your competitors, plan your marketing strategies and assess any weaknesses in your chosen market segment.

### **You can predict any weakness in your management team:**

Once you have analyzed who you need to operate your business, and have eventually written job descriptions for these persons, you will be able to assess whether you have the right people for the job. Even if you are the sole proprietor, a business plan helps you pinpoint your particular management weaknesses and gives you time to compensate for them. You can prepare for probable tough times month. Knowing this in advance with the figures in front of you, allows you to prepare to weather the temporary storm.

**You can set up your business more efficiently:**

By making an inventory of what you will need to get started in the business, you can shop for the best prices and buy in volume from a supplier. In many cases, pre-planning the acquisition of fixed assets allows you to spread your purchases over a longer period.

**You can make long-range plans for your business and work toward set goals:**

It's vital that you know how well the business is doing, not just on a day-to-day basis, but the overall picture as well. Your business plan provides you with a measuring stick that you can use to assess your success, or to warn you when you are off base so you can take corrective action quickly.

**Finally and perhaps most important of all:**

**A BUSINESS PLAN IS VITAL TO TRYING TO INTEREST INVESTORS (PRIVATE OR COMMERCIAL) IN YOUR VENTURE.** It's almost impossible to obtain funding either from a bank, credit union, or private individual without first presenting a business plan. A well written, well-researched and well thought out plan is the winning edge towards successful financing.

## **Business Plan Checklist for Complete Packages:**

In order to expedite the review of your project the following information **MUST BE** included, if applicable when your business plan is requested:

- 1) A covering letter briefly describing the project and the funding being requested from the MNCFN Business Grants Program.
- 2) A copy of your resume.
- 3) A copy of the front & back of your status card.
- 4) A completed application form.
- 5) A copy of your business plan.

Your business plan should include the following:

### **APPLICANT INFORMATION:**

Proponent name:

Address:

Telephone:

Fax:

Email:

### **DESCRIPTION OF THE PROJECT:**

Provide a full description of the project including:

- S a brief outline of the nature, purpose and expected benefits of the proposal;
- S information about the owners, where the business is operating, income potential, type of products/services, and need for business in the community;
- S what are the main goals and objectives of the business? (i.e. the why?)
- S what is the concept/approach (i.e. the how?)
- S company history: describe any changes in ownership, direction, mergers etc.

### **MARKETING PLAN:**

Provide a full description of the marketing plan:

- S description of your product and its uniqueness
- S distribution Methods: identify the channels of distribution for products/services, the customer size for each, the benefits of utilizing the chosen distribution channel (s) to the customer and to the company.
- S who will buy your products/service;
- S how much the average person will spend on your service;
- S how often they will purchase the product/service;
- S quantity and type of products which will be sold;
- S at what times will purchases be most frequent (winter, summer, fall, spring)

- S pricing strategy: identify the specific pricing objectives, pricing strategies, pricing for products and services for each distribution channel including discounts and allowances.
- S projected sales: projected income and competition analysis
- S SWOT analysis: Strengths, Weaknesses, Opportunities, Threats for your business and competition=s
- S supply lines: who will be supplying your inventory, and are there any factors which may slow down your service as a result? (eg. break-up, freeze-up)
- S who are alternate suppliers?
- S how will you advertise your business? Radio, paper, flyers, sign outside building?
- S what will your advertising schedule be and how much will it cost?
- S completion of a market analysis assessment which confirms a competitive environment that will not dislocate existing businesses.

### **OPERATIONAL PLAN:**

Provide a full description of the operational plan including

- S start-up costs
- S method of operation
- S ownership structure: identify the business form, present ownership, date business commenced operations and shareholders information (if applicable)
- S provide resumes of key staff
- S provide profiles of key management personnel; identify management strengths, management experience and management weaknesses
- S training requirements for staff and who will pay for it
- S number of staff to be hired
- S hours of operation; administration plan
- S who will hire, fire, do books, train, drive boat?
- S facility plan: where it is; why you chose it
- S how much it will cost
- S access to customers
- S list of required equipment
- S equipment quotes
- S cost of shipping/purchasing equipment
- S start-up costs - compile all costs involved, including equipment, wages, marketing, insurance, etc.

### **FINANCIAL PLAN:**

Please provide a full description of your financing plan:

- 1) Total project costs:
  - S What is the total project cost?
- 2) MNCFN Business Loans Program request:
  - S What is the amount you are requesting from MNCFN?
- 3) Use of MNCFN funding:
  - S List the expense items and amount of each item for which the requested MNCFN funds would be used for.



4) Details of the project costs and financing:

**Project Costs**

- S Land and Building: provide details of any land/building purchase, lease or renovation/leaseholds as applicable.
- S Equipment: provide details of equipment that is to be purchased; provide type, total costs, quotes, identify if new or used, and any specialization, if applicable.
- S Contributed Assets: identify asset type and condition, identify if new or used, identify appraisal value, specify costs and identify past government assistance (Federal and/or Provincial) for any assets; identify if and what assets are being contributed to the business by the applicants or other non-arms length parties.
- S Change of Ownership: if the project involves the purchase of an existing business, identify the purchase price, reason vendor is selling, basis for purchase price and business valuation.
- S Start-up Costs/Operating/Working Capital: identify start-up costs such as interest costs during construction, interest costs relating to bridge financing, prepaid rent, insurance costs, legal fees, inventory requirement, adjustments to the purchase price with respect to change of ownership, and other costs associated with the business start-up.

**Project Financing**

- S New Cash: state the amount of the applicant's cash contribution towards the project.
- S Commercial Financing: identify any commercial financing, specifying the lender, the amount, the repayment terms, maturity date, security, and how the loan is secured, and provide written confirmation. (Ensure the repayment terms correspond to the assumptions used in calculating the financial projections).
- S Other Financing: identify all other sources of financing including Federal, Provincial or Aboriginal Community grants or loans; identify the source, amount, repayment terms, maturity dates, how it is secured and provide written confirmation.

**Financial Statements and Projections:**

**Projects related to new businesses must provide:**

- S Statements Required: 3 year projected income statement, 3 year projected balance sheet, and monthly cash flow statement for the first year of operations.

**Projects related to existing businesses must provide:**

- S General History: Identify who prepared the historical financial statements, specify if they are audited statements.
- S Statements Required: In addition to projected statements, historical income statement and balance sheet must be provided (the latest interim and annual statements up to 3 years)

## **APPENDICES:**

Please provide all supporting documentation related to the project including:

- S Band Council Resolution
- S Letters of financial commitment
- S Evidence that the Applicant's Cash Contribution is Confirmed
- S Listing of Contributed Resources and Assets
- S Historical Financial Statements - if applicable
- S Projected Financial Statements
- S Detailed listing of existing and proposed equipment
- S Written Quotes for Purchases (including: equipment, building, leasehold improvements and/or building renovations)
- S Insurance Quote(s)
- S Resumes of Person(s) identified for Key Management Positions
- S Copy of Articles of Incorporation
- S Copy of Agreement(s) (Partnerships, Joint Ventures, etc.) - if applicable
- S Copy of Management Contract - if applicable
- S Copy of Franchise Agreement - if applicable
- S Copy of Land Lease and/or Mortgage (s) - if applicable
- S Copy of Appraisal of Land, Buildings and Equipment - if applicable
- S Copy of Accepted Offer to Purchase - if applicable
- S Confirmation that the building meets licensing codes - if applicable
- S Completion of an environmental screening and identification of all necessary mitigation measures as per the Canadian Environmental Assessment Act or applicable acts
- S Copy of market survey and a sample service list....brochure if possible
- S In the case of phased funding, submission of a status report detailing the results of the previous phases of the project.

**MNCFN Business Grant Project Status Report**

**PROJECT STATUS REPORT**

**Due: Twelve Months After Project Recommendation**

**Applicant:** \_\_\_\_\_

**Address:** \_\_\_\_\_  
\_\_\_\_\_

**Tel. Number:** \_\_\_\_\_

**Fax Number:** \_\_\_\_\_

**E-mail:** \_\_\_\_\_

**Business Sector** \_\_\_\_\_

**Business Location (on-reserve/off-reserve)** \_\_\_\_\_

**Ownership** \_\_\_\_\_%Aboriginal \_\_\_\_\_%Non-Aboriginal

**MNCFN Grant Program Contribution \$** \_\_\_\_\_

**Narrative Summary of Project Status:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Business Financial Information:**

Projected vs. Actual Sources of Funding  
(Type and amount)

Projected vs. Actual Uses of Funding  
(Item and amount)

First Nation equity \_\_\_\_\_ Business Planning \_\_\_\_\_

Partner equity \_\_\_\_\_ Land Development \_\_\_\_\_

Federal funding \_\_\_\_\_ Buildings \_\_\_\_\_

Provincial funding \_\_\_\_\_ Machinery \_\_\_\_\_

Other \_\_\_\_\_ Working Capital \_\_\_\_\_

Debt financing \_\_\_\_\_ Other \_\_\_\_\_

MNCFN Business Grant \_\_\_\_\_ Other \_\_\_\_\_

**Total:** \_\_\_\_\_ **Total:** \_\_\_\_\_

***Please provide copies of financial statements for the first year of operations.***

**Summary of Performance Objectives and Results**

Number of Jobs Created:

\_\_\_\_\_ Community Member \_\_\_\_\_ Non-Community Member \_\_\_\_\_ FT \_\_\_\_\_ PT

Number of Jobs Maintained:

\_\_\_\_\_ Community Member \_\_\_\_\_ Non-Community Member \_\_\_\_\_ FT \_\_\_\_\_ PT

Impacts of training and management development (narrative): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Project Report Recommendations:**

**PROJECT STATUS REPORT COMPLETED BY:**

\_\_\_\_\_  
MNCFN Business Loan Applicant

Date: \_\_\_\_\_

**MNCFN BUSINESS GRANTS PROGRAM  
APPLICATION**

---

**APPLICANT INFORMATION:**

Applicant Name: \_\_\_\_\_

Business Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

**PROJECT INFORMATION:**

Contact Person: \_\_\_\_\_ Start Date: \_\_\_\_\_

Total Project Cost: \$ \_\_\_\_\_ Applicant Cash Equity: \$ \_\_\_\_\_

Applicant Contributed Equity: \$ \_\_\_\_\_ Amount Requested: \$ \_\_\_\_\_

**BUSINESS STRUCTURE:**

Percentage of Ownership \_\_\_\_\_ %

Structure of Business:

\_\_\_\_\_ Sole Proprietorship \_\_\_\_\_ Partnership \_\_\_\_\_ Joint Venture \_\_\_\_\_ Corp.

What is the purpose of the project:

\_\_\_\_\_ Est. a New Business \_\_\_\_\_ Expand a Business \_\_\_\_\_ Acquisition

\_\_\_\_\_ Planning \_\_\_\_\_ Marketing \_\_\_\_\_ Aftercare

**\*\* If this is an existing business, please provide historical financials for the last 3 years.\*\***

**PROJECT DESCRIPTION:**

What product or service will you be providing, or are you currently providing? Identify your target market and any existing competitors. Attach any additional information that helps support your proposal, such as business studies, market studies and relevant industry information.

---

---

---

---

---

---

---

---

Does the project include the use of: (yes or no)

Land       Buildings       Equipment

Estimated impact of your proposal on the environment: (check one)

N/A       Unknown       Significant       Insignificant

**\*\*Where Applicable, please provide completed Environmental Screening Report as per CEAA regulations.\*\***

**EDUCATION/EXPERIENCE:**

Please summarize how your experience/education relates to this proposal and attach your resume, including your education, training, employment history and management experience.

---

---

---

---

---

---

---

---

**FINANCING:**

<b>Est. Project Cost</b>	<b>\$</b>	<b>Estimated Project Financing</b>	<b>\$</b>
<b>CAPITAL</b>			
Land	_____	Applicant Cash Equity	_____
Building	_____	Applicant Contributed Equity	_____
Equipment	_____	Federal Sources	_____
Inventory	_____		_____
Other (specify)	_____		_____
Other (specify)	_____	Provincial Sources	_____
			_____
<b>OPERATING</b>			
Insurance	_____	Commercial Financing	_____
Utilities	_____		_____
Other (specify)	_____		_____
Other (specify)	_____	Other (specify)	_____
Other (specify)	_____		_____
Other (specify)	_____		_____
<b>TOTAL COSTS:</b>		<b>TOTAL FINANCING:</b>	
	<b>\$</b> _____		<b>\$</b> _____

Please identify the contact person and phone number of financial institutions, government organizations or others you have approached to finance this project:

CONTACT PERSON	CONTACT NUMBER	ORGANIZATION

Summary of proponent's net worth:

<p><u><b>ASSETS</b></u></p> <p>Cash _____</p> <p>_____</p> <p>_____</p> <p>Real Estate _____</p> <p>Equipment _____</p> <p>Vehicle(s) _____</p> <p>Other (specify) _____</p> <p>Other Investments _____</p> <p><b>TOTAL ASSETS (a)</b> _____</p> <p>Net Worth (a-b) = _____</p>	<p><u><b>LIABILITIES</b></u></p> <p>Charge Accts. _____</p> <p>_____</p> <p>_____</p> <p>Mortgages _____</p> <p>Loans Outstanding _____</p> <p>Vehicle(s) _____</p> <p>Other (specify) _____</p> <p>Other Accts. Owing _____</p> <p><b>TOTAL LIABILITIES (b)</b> _____</p>
---	--

**SIGNIFICANT INFORMATION:**

Expected # of jobs created: FT Aboriginal \_\_\_\_\_ PT Aboriginal \_\_\_\_\_  
FT Non-Aboriginal \_\_\_\_\_ PT Non-Aboriginal \_\_\_\_\_

If this is an existing business, how many additional jobs will be created? \_\_\_\_\_

If this is an existing business, has any previous community financial assistance been provided? Yes \_\_\_\_\_ No \_\_\_\_\_

If 'yes', at what amount? \$ \_\_\_\_\_

Do you or your business owe money to the Mississaugas of the New Credit First Nation? If 'yes', please describe.

---

---

**DECLARATION:**

The statements herein and the attachments hereto reflect the best estimates of my intended project.

I acknowledge that my proposal (once completely submitted) will be assessed and presented to the Project Review Board (PRB), consisting of representatives from the MNCFN Community Trust, the MNCFN Sustainable Economic Development Department, as well as the MNCFN business community. The PRB will review the project and make the final approval decision.

I authorize representatives from the MNCFN Sustainable Economic Development Department to obtain from and share with persons or organizations, public or private, any information necessary to complete the assessment of the project.

I certify that I am a Member of the Mississaugas of the New Credit First Nation.

Name: (Print) \_\_\_\_\_

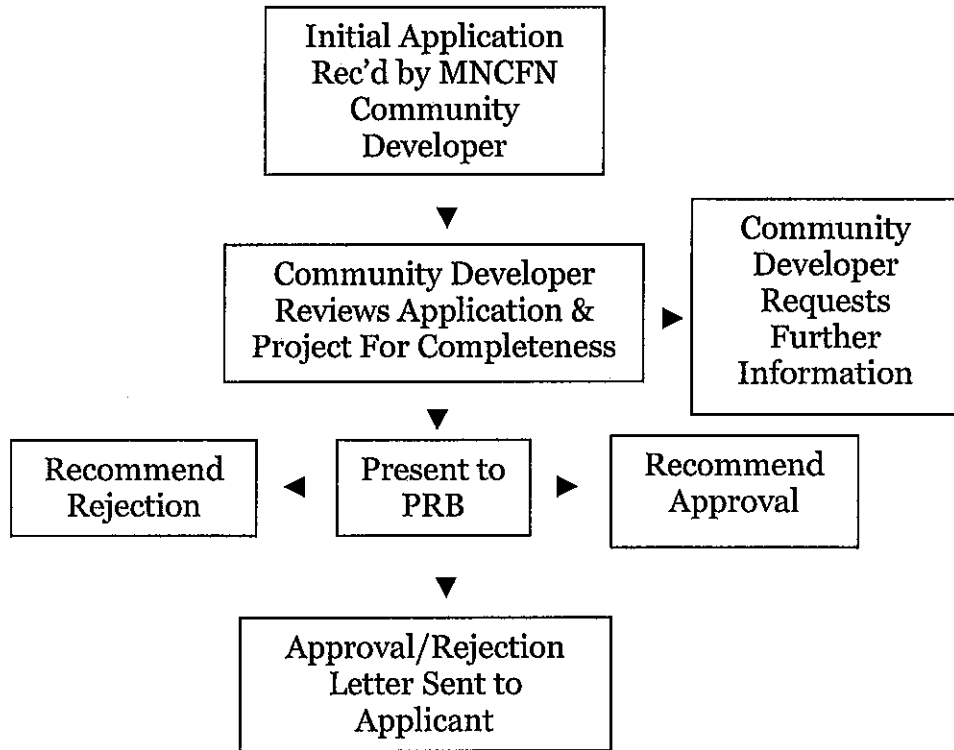
Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Please provide a photocopy of the front and back of your status card.**



**Project Recommendation Board**  
**Application/Approval Process**



**NOTE:** The time required to receive a decision on funding is dependent upon the quality and completeness of the proposal, the proponent's ability to answer any questions raised as a result of the project assessment, the complexity of the project and the amount of funding being requested.