

## Aboriginal Business Investment Fund Application Guidelines

Increasing Indigenous participation in Alberta's economy is a key strategic priority of the Ministry of Indigenous Relations and the Government of Alberta.

The Aboriginal Business Investment Fund (ABIF) program is a Government of Alberta (GoA) approach to improving social and economic outcomes **for Indigenous communities** by building partnerships and investing in economic opportunities.

ABIF will support Indigenous communities to fund capital costs of a community-owned business initiative that are close to starting or expanding operations or breaking ground for building projects within the funding year.

### Eligibility

Eligible applicants for the ABIF are Indigenous communities or corporate entities owned by Indigenous communities located in Alberta:

- Corporate entities must be in good standing.
- Applicants must be in compliance with the terms and conditions of any previous Indigenous Relations funding.

### Eligible Projects

The intent of the ABIF program is to invest in the capital elements of business initiatives:

- Capital costs are costs associated with the acquisition, construction or enhancement of significant fixed assets including buildings, equipment and other tangible assets that will be of use or benefit for more than one financial year.
- The projects must be close to starting operations or breaking ground for building projects within the funding year.

The projects must demonstrate long-term impacts as follows:

- increase the number of Indigenous community-owned businesses;
- increase the number of employment opportunities for Indigenous people;
- create or increase local revenue streams for Indigenous communities; and
- strengthen the economies of Indigenous communities.

### Funding Levels

ABIF contribution levels are a minimum of \$150,000 to a maximum of \$750,000 to support an economic development project.

The maximum stacking level of funding to a recipient from all funding sources (including federal, provincial, and municipal governments and industry) for any initiative can be up to 100 per cent of eligible capital costs up to the programs limit.

NOTE: An Indigenous community can submit only one ABIF application in any given funding year. Each project is analyzed on its own merits and funding is allocated on a competitive basis.

**The following costs are ineligible:**

- Projects that result in passive business income streams will not be considered (passive income is income from sources that are received on a periodic basis and often with little effort to maintain – no material or active participation). Examples include projects that generate income from rent, royalties, dividends, and capital gains.
- Goodwill will not be considered under any circumstances.
- Payments for services that would normally be provided without charge (e.g. honoraria for a community service).
- Operation, repair and maintenance costs.
- Infrastructure costs financed by, or eligible for funding from other government sources. Examples include roads, rails and utility services.
- Training and economic development services.
- Expenditures not related to economic development.
- Expenditures not related to the approved project.
- Costs already expended on a project.

### When to Apply

- **June 11, 2018 the program opens** for submission of applications.
- **August 31, 2018 at 2:00PM** is the submission deadline. Complete packages, including three (3) hard copies are to be delivered to our office prior to this time.
- Funds will be disbursed by March 31, 2019.

### How to Apply

Applicants must submit the following to be considered a complete application for funding:

- I. Fully completed application using the **online portal**. The fully completed online application must include:
  - a) A **resolution** from the respective council or board. (i.e. Band Council Resolution)
  - b) **Business Plan** – The following business plan content areas are required. Additional supporting documents and information may be included as

Appendices. **Please keep the Business Plan and all necessary appendices under 100 pages.**

- 1) Overview:
  - i) Executive summary
  - ii) Business description
  - iii) Business model (how the business will earn revenues and profits)
  - iv) Business history (if applicable)
  - v) Business objectives
- 2) Fit of the business into the overall community economic development plan or vision
  - Priority alignment – does it meet the community’s priorities and serve the communities vision?
  - Benefits of the project – qualitative and quantitative benefits from the project to the company – please list
  - Sustainability – does the project demonstrate profitability and financial sustainability?
- 3) Project Timelines
- 4) Community social and economic benefits as a result of this project (quantify wherever possible)
- 5) Business Structure and Governance
  - i) Type of business structure
  - ii) Details of governance structure (i.e. how decisions are made, the separation of the business operations from the political functions within the community).
  - iii) Partnership arrangements if applicable
- 6) Marketing
  - i) Description of product or service
  - ii) Description of target market, market demand and competition
  - iii) Market growth and sustainability indicators
  - iv) Comparisons of estimates to industry averages
  - v) Pricing strategy
  - vi) Sales strategy
  - vii) Research results of the identified market
  - viii) Advertising and promotion strategy
  - ix) Customer support (warranties, guarantees, etc.)
- 7) Management and Human Resources
  - i) Brief information on existing management and staff (Resumes or profiles of key staff in Appendices)
  - ii) Depth of experience, track record
  - iii) Recruitment strategy (Where will you find the people you need?)
  - iv) Retention strategy (How will you keep the people you need?)
  - v) Succession plans
- 8) Operations
  - i) Job descriptions of key staff
  - ii) Training requirements or issues

- iii) Major suppliers and terms
  - iv) Supply Chain and Distribution (How your product will be produced and get to the end consumer)
  - v) Location of business in relation to market, facilities, equipment required
  - vi) Credit terms
  - vii) Business insurance levels
  - viii) Business licenses required
  - ix) Other items pertinent to operations
- 9) Financial
- i) Three-Year Historical Income Statement
  - ii) Three-Year Historical Balance Sheet
  - iii) Three-Year Projected Income Statement
  - iv) Three-Year Projected Balance Sheet
  - v) Three-Year Projected Statement of Cash Flows
  - vi) Notes to Historical Financial Statements along with description of the underlying assumptions used to arrive at the projections
- 10) Environmental Considerations – include any assessments, and proposed mitigation if there is an environmental risk
- 11) Regulatory
- i) Compliance with laws and regulatory requirements
  - ii) Environmental considerations
  - iii) Land tenure requirements

As part of a well-rounded plan, consider each risk (as listed below) and a proposed mitigation is addressed in the body of the plan:

- a) Management or Governance Risk
- b) Industry Risk
- c) Financial Risk
- d) Community Benefit

c) **All supporting documents where applicable:**

- Letters of support from suppliers, customers or any other stakeholders that are significant to the project.
- Confirmation of other sources of financing such as bank financing, equity or other grants or contributions.
- Details of contributed equity or in-kind contributions that are proposed.
- Contracts or other financial commitments, copies of leases.
- Copy of any environmental assessments.
- Relevant documentation to show you have secured the proper authority (permit, lease, license, certificate, land designation, environmental assessment, etc.) to operate the business.
- Community support survey summary, if completed.
- Resumes or profiles of key management personnel including contracted services.

- Corporate structure information and any documents related to any partnership arrangements and commitments.
  - Any other pertinent documents or information that may impact the decision to fund the project.
- II. **Three (3) hard copies** of the business plan and all supporting documents must be submitted by mail, **before the application deadline**, to:

Alberta Indigenous Relations  
Attention: "Aboriginal Initiatives-ABIF"  
19th Floor, Commerce Place, 10155 – 102 Street  
Edmonton, Alberta, T5J 4G8

### Application Review

Application evaluation will take place in two phases. A preliminary assessment by a cross-ministry panel will screen complete applications based on the evaluation criteria.

The top fifteen projects that meet all the requirements and demonstrate potential for financial viability will proceed for a full assessment, which involves scoring applications by an external and independent business assessor and consider the following:

1. Demonstrated community support for the project (a Council Resolution must be included) and other supporting documentation.
2. The potential for generating net economic benefits (jobs and community revenue).
3. Demonstrated management capacity and business expertise in relation to the project.
4. Demonstrated balance of own-source equity, commercial financing and grant funding.
5. Long-term viability of the proposed business opportunity.
6. Potential for project to generate spin-off business opportunities.

### Reporting and Deliverables

- Where projects are approved, Indigenous Relations will enter into a funding agreement with the recipient.
- Recipients are expected to report on the implementation and results of the projects as detailed in the funding agreement as well as provide audited financial statements. The reporting will include a narrative portion describing the actual results (quantitative and qualitative) achieved, and any highlights including successes and challenges.
- All funds must be accounted for and are subject to audit for determining adherence to terms and conditions of payment and for which excess funding, unexpended balances, disallowed expenses, and any funds not disbursed for the purposes approved constitutes debts due to Indigenous Relations.

- The monitoring and reporting of performance indicators for the following five (5) years.
- An evaluation survey.

## Questions

If you have any questions, please send them to: [IR.economicdevelopment@gov.ab.ca](mailto:IR.economicdevelopment@gov.ab.ca)