

KBAP FUNDING GUIDELINES

1. PURPOSE

The purpose of the Kitikmeot Business Assistance Program (KBAP) is to assist Inuit entrepreneurs to participate in the regional and local economies by providing up to \$25,000 in contribution funding. It is expected that KBAP funding will not be the primary source of financing for eligible activities, but rather, used to lever funds from other sources.

2. ELIGIBILITY

Eligibility for funding is limited to individual Inuit who are registered Beneficiaries, pursuant to Article 35 of the *Nunavut Agreement*, and who are ordinarily resident in a community in the Kitikmeot Region of Nunavut; and to Inuit-owned businesses in the Kitikmeot region of Nunavut. Inuit-owned businesses must be registered as such with Nunavut Tunngavik Incorporated.

Funding may also be considered for organizations sponsoring special business or community economic development projects that will provide broad-based benefits to Inuit in the community.

3. ELIGIBLE ACTIVITIES

Support may be provided for the following:

- i. *Start-up*. Assistance may be provided for costs associated with planning, feasibility, engineering, start-up working capital or other developmental costs deemed to fall into this category by the Department of Beneficiary Services.
- ii. *Capital*. Assistance may be provided for the purchase of capital items for operations of the business, typically as a means of equity necessary to leverage loan financing. In all cases assistance for capital purchases must support the continuation of a business where lack of new investment would result in loss of Inuit employment, or improve efficiency of capacity of a business required to stay competitive or access new markets.
- iii. *Product Development*. Assistance may be available for market research designed to increase sales of goods and services provided by Kitikmeot-based, Inuit-owned businesses. Assistance may also be provided to support promotion and marketing activities, or for projects intended to enhance and further advance product development.

4. APPLICATION PROCEDURE

An application for funding will generally include the following items:

- i. A fully completed and signed application form (available from KIA);
- ii. A copy of the applicant's business license and WCB Certificate of Compliance;
- iii. Price quotes from suppliers for items requiring funding (in the case of freight charges, estimates of charges are acceptable); and
- iv. Copies of any proposals, contracts or agreements relevant to the project.

- v. Previous year financial statements (income statement and balance sheet), and three-year financial projections (income statement, cash flow statement, balance sheet) may be required for larger projects.

Applicants must generally contribute a minimum of 10% equity toward total project costs as evidence of commitment to the business or project. Acceptable forms of equity include cash, sweat equity, and assets contributed to the project by the applicant.

5. ADMINISTRATION

Terms and conditions of a KBAP contribution are included in a *Letter of Offer* that is sent out to the client once funding has been approved. Contributions are generally non-repayable, provided the client complies with all of the terms and conditions in the *Letter of Offer*.

Payment will be provided when:

- i. the applicant has accepted the terms and conditions for a contribution as detailed in the *Letter of Offer*;
- ii. the required equity is in place (for "sweat equity", a commitment that the work will be performed);
- iii. the availability of primary financing necessary to undertake and/or complete the project has been confirmed; and
- iv. necessary approval by regulatory, municipal and other authorities has been confirmed. This may include meeting health and safety standards, environmental standards, acquiring land use approval, support from community or regional councils, or any other approvals deemed necessary for the project to proceed.

Upon completion of the project, the client will be expected to submit to the Department of Beneficiary Services:

- i. a final report detailing the economic benefits arising from the contribution; and
- ii. a financial accounting of how the contribution was spent.

Failure to comply with these conditions may affect applicant success in accessing future financial assistance.

6. MONITORING

Monitoring will be undertaken by the Department of Economic Development, with results reviewed by the CEDO Committee. Factors to be monitored could include jobs created and/or maintained, new skills development, and impacts on quality of life.