



tale'awtxw aboriginal capital corporation

Business Equity Program (BEP) Program Description

TACC is delivering the Business Equity Program (BEP) to qualifying projects, along with existing loan programs and services. The BEP, with funding from Aboriginal Affairs and Northern Development Canada (AANDC) is the new delivery model for Aboriginal Business Canada, and will operate under the same program guidelines.

Program Goals:

- To increase the number of viable businesses in the TACC service area owned and controlled by Aboriginal Canadians and to provide a supportive business environment for Aboriginal Canadians.
- To cultivate a culture of entrepreneurship in the Aboriginal community and to improve access to business opportunities.
- To enhance access to capital for Aboriginal businesses having difficulty obtaining conventional commercial financing.

Types of Assistance:

Program funding of up to \$99,999 for individual owned businesses and up to \$250,000 for community owned businesses can be provided towards eligible projects.

The contribution from BEP will be limited to what is required to ensure your project proceeds and is viable. The following table illustrates typical contribution levels for various costs. These will depend upon need.

Project Costs	Typical Contribution Level
Developing business plans, marketing plans or feasibility studies	Up to 75%
Establishing a business or acquiring information technology	Between 30% to 50%
Expanding/acquiring a profitable business or developing new products, services or production processes	Between 30% to 50%
Implementing marketing initiatives	Up to 60%
Project-related management	Up to 75%
Accounting and professional business advice after you start your business	Up to 75%

Application Steps:

- 1) Determine Eligibility
- 2) Submit Application for Assistance
- 3) Submit Complete Business Plan

Step 1: Determine Eligibility

Eligible Applicants:

- Applicants to the BEP must be Canadian Aboriginal people or Canadian corporations, partnerships, associations, or other legal entities majority owned and controlled by Canadian Aboriginal persons. A Canadian Aboriginal person is one who is a Status or non-Status Indian, Métis, or Inuk. Business projects can be located on or off reserve.
- Applicants must be involved full time with the proposed business in a management capacity, and must have the necessary certifications, qualifications, and licensing necessary to operate the business.
- Applicants must contribute cash equity to the project – usually at least 15% of project costs – and have a reasonable credit rating. (Checking your credit report is a good idea prior to application – refer to www.Equifax.ca).

Eligible Projects:

- Starting, purchasing, expanding, or modernizing a business is an eligible activity for program consideration. Eligible costs include capital, marketing, and some operating costs.
- Market development and expansion projects include eligible activities such as advertising campaigns, trade shows, seminars, and conferences.
- Innovation projects include eligible activities such as product or process development or improvement, productivity improvement, investment in new technology, and Research and Development.
- Projects should involve costs that are incremental to the existing business operation, expected to create measurable new benefits such as additional revenues, new markets, or new employment opportunities.
- Minimum project size for starting, purchasing, expanding, or modernizing a business is \$25,000.
- Minimum project size for marketing or innovation activities is \$10,000.

Ineligible Projects:

- Some activities not eligible for BEP consideration include community infrastructure unrelated to commercial enterprise such as public office buildings, recreation and friendship centres, gaming houses, and public halls.
- Businesses such as pawn shops, payday loan firms, and gaming operations are not eligible for BEP support. Business activities involving the production or distribution of alcohol, tobacco, and sexually exploitive materials are not eligible for support.
- The purchase of land, buildings, and investment property is usually not eligible for BEP support.

Step 2: Submit Application for Assistance

If you have determined that you have a project that may be eligible for BEP support, complete and submit an Application for Assistance for our review. Please include the following with your submission:

- Evidence that you are able to contribute a reasonable level of cash equity to the project (generally in the range of 15% of total project costs);
- Evidence of your Aboriginal ancestry;
- A resume highlighting your experience, training, and/or certifications related to your planned business project; and
- For existing businesses, a copy of your most recent financial statements (up to three years if available); and
- For corporations, evidence of Aboriginal ownership.

If we have any questions about your proposal, we will contact you. Our review will return one of three answers within 10 working days:

- Proceed to business or project plan (in which case we will offer financial support of up to 75% of costs for professional services if required);
- More information is required to complete an assessment; or
- Not eligible for BEP support, along with reasons for ineligibility.

Step 3: Submit Complete Business Plan

If we request a formal business plan for the project, it has been screened as eligible for BEP support.

While many clients are comfortable completing their own business plan, it is common to engage professionals to assist with its preparation. If you require professional assistance – whether engineering, legal, accounting, or general consulting, please let us know. We can assist with up to 75% of professional fees.

In order to access financial support for professional fees, obtain a fixed price proposal, statement of qualifications, and detailed statement of work from the selected firm(s), and submit it for our review and processing **before engaging the services**.

A business plan template is available for guidance through the process, highlighting the information required and the level of detail expected in a business plan.

Once you submit your business plan with all required information, allow up to 30 working days (6 weeks) for analysis. Do not commit to any project costs before receiving a formal response from us.

Approved Projects:

If funding is approved for your project, we will issue you a Letter of Offer detailing:

- The amount of funding approved;

- The costs eligible for funding participation;
- The terms of the funding offered;
- The documents and information required in order to receive the funding; and
- The reporting you are required to provide under the terms of the Offer.

Project Monitoring:

Your project will be monitored for a period of up to three years, depending on the amount of funding and the type of project. During this period, you are required to provide the following information:

- For unincorporated businesses, the statement of business income from your income tax return;
- For incorporated businesses, professionally prepared year-end financial statements;
- Business performance review ([click here for form](#)); and
- Evidence of insurance.