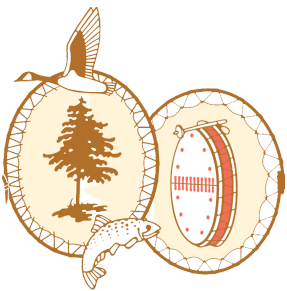


CEAT

Cree Entrepreneurship Assistance Fund

Program Policy



Department of Commerce and Industry
Cree Nation Government

Contents

1.0	Introduction.....	3
2.0	CEAF Program Objective	3
2.1	General Objectives.....	3
3.0	Financial Assistance.....	3
3.1	Nature of Financial Assistance	3
4.0	Eligibility	4
4.1	Eligibility of Promoters	4
4.2	Application Limits.....	4
4.3	Eligibility of Projects	5
4.4	Assessment Criteria in the Review of Projects	5
5.0	Eligible Expenditures.....	6
6.0	Application and Deadlines	7
6.1	Application	7
6.2	Deadlines.....	7
7.0	Review and Assessment Process	8
7.1	Review and Analysis – Completed Files	8
7.2	Commerce and Industry Directors Review	8
7.3	Management Committee Review and Analysis.....	8
8.0	Financial Assistance Disbursement(s)	9
9.0	Grant/Loan Payments*	9
10.0	Application Support	9
	APPENDIX A	10
	APPENDIX B	20
	APPENDIX C	23

1.0 Introduction

The Cree Entrepreneurship Assistance Fund (CEAF) was established in July 2011 by the Cree Nation Government and is administered through the Department of Commerce and Industry, Cree Nation Government (DCI/CNG).

2.0 CEAF Program Objective

The Cree Entrepreneurship Assistance Fund was established to encourage entrepreneurship within the Cree communities. It is intended to assist in business development through private entrepreneurship in the Cree communities' category 1A lands.

2.1 General Objectives

- To provide economic support through non-repayable grants or forgiveness loans for business projects that promote entrepreneurship and expand the private sector in the Cree communities of Eeyou Istchee.
- Increase Cree communities' economic capacity and output by funding private-sector business projects, including cooperatives.
- Build entrepreneurial diversity and capacity (encourage women and youth entrepreneurs).
- Generate and maximize local spin-offs (i.e. local employment, contracting and purchasing).
- Empower local and regional businesses and entrepreneurs.
- Develop an entrepreneurial mindset.
- Integrate and promote Cree culture and identity.

3.0 Financial Assistance

Financial assistance is available for band members and JBNQA beneficiaries interested in the following:

- Creating a new business in one of the Cree communities
- Purchasing an existing business in one of the Cree communities.
- Expanding an existing business to increase capacity and employment.
- Introducing new products and services currently not available in the community.
- Creation of new markets and business opportunities.
- Explore and launch innovative business initiatives.

3.1 Nature of Financial Assistance

Approved Financial assistance:

- Non-repayable grant
- Forgivable Loan on movable assets (heavy equipment, trucks, loaders etc.)
- Approved funding is non-transferable.
- A maximum of twenty-five percent (25%) of the total eligible project cost may be funded, up to a maximum of one hundred thousand dollars (\$100,000) per application.

- Approved funding is administered through a Funding Agreement between the Promoter(s) and Cree Nation Government, managed by the Department of Commerce and Industry. The agreement defines the terms and conditions for the disbursements of funding and the parties' obligations.
- Any unused advanced funding must be reimbursed. Grants are based on project costs and may be adjusted if the approved project costs are lower than the actual costs.

4.0 Eligibility

To receive financial assistance from the CEAF, the Promoter(s) and project(s) must meet the following eligibility/assessment criteria.

4.1 Eligibility of Promoters

Eligible Promoters include:

- Individuals/ Business Enterprises that include:
 - Beneficiaries of the JBNQA.
 - Cree-owned individual business enterprises (Registered Companies).
 - Cree Business Partnerships (100% Cree ownership).
 - Cree/non-Cree partnerships (51% Cree ownership).
 - All eligible cost is calculated, and the grant or loan is prorated according to the partnership percentage.
- Cree Owned Corporations/Organizations:
 - Band-owned development corporations
 - Other forms of a legal entity (51% Cree* ownership)

Applicants must meet the following criteria:

- Have their head office and payroll office located in a Cree community (physical location required).
- Be a resident of a Cree community.
- Have Numéro d'entreprise du Québec (NEQ).
- Will have company assets located in a Cree community.

4.2 Application Limits

While there is no limit to the number of applications an eligible promoter can submit, the following limitations apply.

- All previous applications must be completed and closed with final reporting.
- Only one application can be accepted per 12-month period. The date of final payment of the previous agreement is the starting point for the calculation of the 12-month period.

* Cree meaning a member of the James Bay Northern Quebec Agreement

4.3 Eligibility of Projects

Eligible projects should:

- Enhance and diversify the economies of the region.
- Empower/support local and regional businesses and private entrepreneurs.
- Encourage collaboration between Cree entrepreneurs.
- Encourage the participation of Cree enterprises in the regional economy.
- Promote sustainable and circular economies.
- Explore new economic development opportunities.
- Create long-term, meaningful employment.
- Integrate and promote and/or enhance Cree culture and Cree identity.
- Grant or Forgivable Loans on transport trucks, heavy equipment machinery are one time only, DCI will not accept multiple grant funding of the same truck or heavy equipment

4.4 Assessment Criteria in the Review of Projects

In addition to the criteria specified above, to be eligible for the financial assistance, the Promoter(s) must:

- Be 18 years of age.
- Be a beneficiary of the JBNQA and a permanent resident of a Cree community (with proof of address such as driver's license).
- Present a business plan for a new business and/or financial statements for existing businesses
- Provide a detailed budget breakdown.
- Provide proof of the promoter's ten percent (10%) cash equity.
- Agree to the terms and conditions of the Funding Agreement.
- Have the necessary expertise, experience, and requirements (e.g. diplomas, permits, and licenses as recognized by regulation of the industry).
- Agree to take any professional on-the-job training, course or mentoring program as recommended by the DCI.
- Be in good standing with the DCI Program.
- Be willing to participate in an interview with DCI personnel.
- For existing businesses, the business must be registered on the Business Registry. New businesses must register on the Business Registry after project approval.
- A Band Council Resolution supporting the business
- For new or expanding trucking businesses, a work contract is required to demonstrate that they have the necessary contracts to support their operations or growth.

Financial assistance is provided, considering applications to other funding entities, eligibility of expenditures, and availability of funds.

5.0 Eligible Expenditures

Only expenditures directly related to the realization of the project are eligible. Any approved grant funding cannot be used for:

The following are considered eligible expenditures:

- Capital Costs
 - ✓ Equipment purchases (valid price quotations required)
 - ✓ Building construction (Grant of Lot required)
 - ✓ Deposit for Hydro Quebec hook-up (max \$10,000)
 - ✓ Vehicles (must be tied to the needs of the business)
 - ✓ Leasehold Costs (Category 1A Location)
 - ✓ Signage
- Working capital (cash flow) Maximum admissible amount the lessor of \$10,000- or 90-days cash flow as indicated in the business plan
- Start-up inventory admissible is the lessor of \$ 10,000- or 90-days inventory per the business plan
- Insurance Costs – New Business only (first year of operation)
- Marketing Costs (excluding promotional items and travel for promotion of the business)
- Website development if required for the project
- For Bulk Trucking registration fees to trucking association sub post (Max \$2,000)

5.1 In-eligible Expenses

- Professional support and assistance
- Operational expenses except those in section 5.0
- Expenses incurred before acceptance of the application (date on DCI letter of acceptance)
- Professional studies
- Business plan development
- Financing of existing debts
- Personal expenses or purchases
- Expenditures not approved or listed in the application
- Leasehold improvements (outside of Category 1A)
- Lease deposits

6.0 Application and Deadlines

6.1 Application

A completed CEAF application must contain the following documents. (See Appendix A):

- Band Council Resolution(s)
- Proof of promoter's equity: ten percent (10%) of the total project cost. Proof of equity documents must not be more than 90 days old.
- Résumé or CV of each Promoter involved in the project
- Business Plan or Feasibility Study
- Financial Statements (for existing business – past two years)
- Profit/Loss and Cash Flow projections for business expansions (3-year projections)
- Confirmation of acceptance from other funding sources (complete list)
- Where applicable the following documents must be provided:
 - Permits and licenses required to operate business
 - Copies of diplomas and certificates
 - Letter of authorized agent or representative
 - Partnership Agreement
 - Environmental assessment/study and or environmental compliance documents
 - Valid quotations, dated within the past 90 days
 - Letter of interest (possible future client) or sales contract(s)
- Other supporting documents
 - Copy of Drivers permits as required (Class 1,2,3,4,5) for trucking or transport projects

Incomplete applications will not be processed until all the required documents have been received and may be closed after ninety (90) days.

6.2 Deadlines

The CEAF grants are allocated on a first-come-first-served merit basis and are conditional upon the availability of funds. For projects under review, a termination deadline of 60 days will be enforced for applicants who do not maintain communication, after which the applicant will be encouraged to reapply."

Applications can be sent by email to: commerce@cngov.ca.

Hard copy format must include original signatures and can be sent to the following address:

Cree Entrepreneurship Assistance Fund
Department of Commerce and Industry
Cree Nation Government
284 Queen Street, Suite 201
Mistissini (Québec) G0W 1C0

7.0 Review and Assessment Process

Upon receiving the Cree Entrepreneurship Assistance Fund application, an acknowledgment letter is then sent to the Promoter(s), informing them that their application has been received and will undergo an initial review by the Business Services Officer. The review determines whether the Promoter(s) and project meet the eligibility criteria and verifies that all necessary documents are provided. A request may be sent to the promoter for missing documents or additional information. The initial assessment may involve exchanges with the local Economic Development Officers, other authorized agents, financial institutions, and funding agencies. If all supporting documents have been provided, the application undergoes the full CEAF Review and Analysis.

7.1 Review and Analysis – Completed Files

Completed projects where all documents are received by DCI will undergo a review and analysis conducted using the CEAF Evaluation Grid. This evaluation grid assists the departments evaluation and verifies eligibility and validity and confirms the project's other funding sources.

The application, all support documents and the CEAF Evaluation Grid are then submitted to the Commerce and Industry Director.

7.2 Commerce and Industry Directors Review

The Director of the DCI conducts a secondary review and analysis of the project. This review aims to prepare the project for the next step of the grant approval process, which is to present the application to the Management Committee. This committee is responsible for approval of all projects with grant/loan requests over \$25,000.

If the project grant request is less than \$25,000 the Director may approve or reject the grant request without presenting to the Management Committee.

For projects under \$25,000, a letter is sent to the Promoter(s) informing them about the status of their application.

7.3 Management Committee Review and Analysis

The Management Committee of the Cree Nation Government conducts a final review and analysis of the project. The Management Committee is responsible for a project's approval or non-approval of grant/loan funding for projects over \$25,000. The Management Committee's decision is then transmitted to the Promoter(s) in writing.

If the application is approved the Commerce and Industry Department will inform the promoter(s) by sending a letter of offer.

A Funding Agreement is drafted that defines the terms and conditions for the disbursements of funding and the parties' obligations. The Funding Agreement is signed and initialled by the promoter(s) and the authorized Cree Nation Government representative.

8.0 Financial Assistance Disbursement(s)

Funding disbursements for the project are issued following the Funding Payment Schedule, as outlined in the Funding Agreement.

Note: The final payment will be released by DCI/CNG upon receiving and verifying the required Project Final Report and Financial Report, along with all necessary supporting documentation.

9.0 Grant/Loan Payments*

Funding disbursements for the project are subject to the following:

- The initial advance payment requires a signed Funding Agreement, payment request form and the request to release the advance payment by the DCI administrator in the payment system.
- The second disbursement can be issued once the Interim Progress Report and Interim Financial Project Report are submitted by the Promoter(s) and the request to release the second payment by the DCI administrator.
- The third and final disbursement can be issued once the Final Report and Financial Project Report are submitted by the Promoter(s) and the request to release the final payment by the DCI administrator.
- Payments are made by direct deposit and require a void check or valid direct deposit information. No payments can be processed to personal accounts. A business account must be provided.
- All new businesses are required to register on the Cree Nation Business Registry site in order to receive final payment. The BSO can assist in registering your new business.

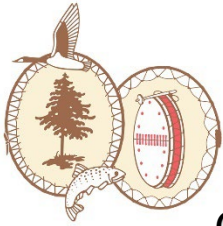
*Payment schedules may vary from project to project, please verify the release of payments detail in the Funding Agreement.

10.0 Application Support

Promoters may contact the Business Services Officer or their local Economic Development Officer/Coordinator for assistance with preparing their application or reviewing their Business Plan. For contact information for the Business Services Officer, local Economic Development Officers/Coordinators (see Appendix C).

APPENDIX A

Cree Entrepreneurship Assistance Fund (CEAF)



DEPARTMENT OF COMMERCE
AND INDUSTRY

CREE ENTREPRENEURSHIP ASSISTANCE FUND (CEAF)

APPLICATION FORM

Promoters should consult with their local Economic Development Officer (EDO) for advice and assistance. Our personnel are also available to answer questions and provide some assistances, so do not hesitate to contact us.

IMPORTANT NOTICE

The following information MUST be attached for a file to be processed:

- Application Form
- Band Council Resolution(s) when required
- Proof of Equity (bank statement representing 10% of total project cost)
- Résumé of each Promoter involved in the project
- Diplomas, permits, and licenses
- Business Plan or Feasibility Study
- Financial statements last two completed business years (for existing business only)
- Operating Budget and Cash Flow for Business Expansion Projects
- Confirmation of acceptance from other funding sources (please complete list)

- _____
- _____
- _____

When applicable, these documents must also be attached:

(Applicants will be informed of which are required. If you have these already, attach them to avoid delays)

- Letter of Authorized Agent / Representative
- Partnership Agreement
- Environmental assessment and/or compliance
- Quotations from suppliers to validate the project costs (less than one year)
- Letter of interest (possible future client) or sales contract(s)
- Other supporting documents

The file will only be processed when all the required items are attached.

Incomplete applications will not be processed until all the required documents have been received and incomplete will be closed after ninety (90) days.

Promoter(S) legal name(s)	Business operating name and business number (NEQ) Anticipated Start-up date:
Applicants Address	Business address (if unknown please list community)
Email address	Work phone
Home phone	Cell

If more than one Promoter is involved in the project, please provide information for each Promoter. (See Appendix A)

Owner(s) name	Beneficiary Number	Community of affiliation	Date of birth	Percentage ownership

I am requesting financing for (check all applicable cases)

- Start-up Acquisition Expansion
 Other _____

Structure of the business (when applicable)

- Sole proprietorship Corporation Joint venture
 Partnership Incorporated Company Other
 Non-Profit Cooperative _____

Please describe the project

Description of products/services offered

Employment Creation

Please enter the expected jobs created and/or maintained (permanent, temporary, seasonal, part-time, full-time)

Job creation:

- Regular full-time: _____
- Regular part-time: _____
- Seasonal full-time: _____
- Seasonal part-time: _____

Please list qualifications, licenses, education and expertise of the Promoter(s), manager(s) and external resource(s)

Potential Market

What is the overall market (who are they, what are their needs, where are they located, why will they be interested, letter of interest from potential clients, contracts in hand, etc.)

Project Costs	Amount	CNG Use	Project Financing	\$
Cash Flow			Owner's Investment * (A minimum equity of 10% of the total project cost is required)	
Admissible Capital Costs				
Building				
Leasehold improvements			<i>*Equity must be in cash deposit and documentation of deposit must be recent</i>	
Land Preparation			Grants Community Economic Dept. CNG - CEAF (max 25%/\$100k) SOCCA Board of Compensation Other Other Other	
Equipment /Vehicles				
Inventory (Max \$10K)				
Other (specify)				
Admissible Operating				
Insurance (Quotation)				
Permits			Loans EEG SOCCA BDC Bank and Branch (specify)	
Marketing (max				
Other (specify)				
Business Support Costs			Other_____	
Accounting			Other Financing	
Feasibility Study				
Total Project Costs			Total Project Financing	

Optional: Please list any additional information you would like to provide for your application

I (we) authorize representatives of the Department of Commerce and Industry of the Cree Nation Government to obtain from and share with persons or organizations, public or private, any information necessary to complete the assessment of the project outlined in this application.

Promoter

Promoter's Name

Date

Promoter's Signature

Signed In

Co-Promoters

In the case of a project involving more than one party, all Co-Promoters must sign this consent form.

_____ Co-Promoter's Name	_____ Date
_____ Co-Promoter's Signature	_____ Signed In
_____ Co-Promoter's Name	_____ Date
_____ Co-Promoter's Signature	_____ Signed In
_____ Co-Promoter's Name	_____ Date
_____ Co-Promoter's Signature	_____ Signed In

Questions or comments

**Appendix A
Co-Promoters Involved**

Owner(s) name	Beneficiary Number	Community of affiliation	Date of birth	Percentage ownership

Co-Promoter's legal name	Business operating name and business number (NEQ) Start-up date:
Mailing address	Business address (if different from mailing address)
Email address	Work phone
Home phone	Cell

Co-Promoter's legal name	Business operating name and business number (NEQ) Start-up date:
Mailing address	Business address (if different from mailing address)
Email address	Work phone
Home phone	Cell

Co-Promoter's legal name	Business operating name and business number (NEQ) Start-up date:
Mailing address	Business address (if different from mailing address)
Email address	Work phone
Home phone	Cell

APPENDIX B

Business Plan Model

Business Plan Model

Contact information
<ul style="list-style-type: none">• Company name• Commercial name• Full address• Phone• Fax• Email
Executive summary
<p>Please provide an overall project benefit for the region, employment potential. New business products or services. Introduction of competition etc.</p>
Investment and Financing
<ul style="list-style-type: none">• Start-up costs• Equity investment• Financing (type, amount and source)
Description of the business and the project
<ul style="list-style-type: none">• Mission• History• Legal status• Promoters and owners• Project description• Sector of activity (Construction, Retail, Trucking, Heavy Equipment, Consulting etc.)• Project location – All CEAF projects must be located in Category 1A – Cree Communities• Project timelines and completion date for each item listed• Advertising brochure (if it already exists)
Products and Services
<ul style="list-style-type: none">• Description of products/services provided• Target customers• Target geographical location• Distribution channels for products/services provided

Market Analysis

Description of the sector of activity

- General market overview for the region
- Current market trends
- Opportunities for this product/service in the market served
- Government regulation
- Target geographical location
- List of potential customers
- Target customers (socio-demographic data, behaviour, attitudes, needs)
- Potential market (for example, estimated total annual sales)
- Strengths, weaknesses, opportunities and threats
- Competition/Competitive advantages

Marketing Plan

- Pricing strategy (competitor pricing, gross margin, cost price)
- Sales and distribution strategy (advertising, telemarketing, web, other)
- Promotional activities
- Budget and timetable

Operating Plan

- Quality approach
- Environmental standards
- Permits and licenses needed to implement the project
- Supply Chain (suppliers, products/services, delivery time)
- Fixed assets to acquire (buildings/equipment)
- Human resources required to implement and operate the project
- Technology investments

Financing Plan

- Start-up projected expenditures and funding required to implement the project
- Financial statements for the past three years (existing business)
- Financial forecasts for the first three years of operation, including income statements, break-even analysis, balance sheet, and monthly cash flow requirements
- Offers of banking facilities (available loans, credit margins etc.)
- Offers of financial partners

Note: Financial statements and forecasts must be prepared in compliance with generally recognized accounting standards in Quebec.

Other Documents

- Promoters' resumes
- Shareholders' agreement (if required)

APPENDIX C

**Business Services Officer
Economic Development Officers/
Business Development Officers**

Business Services Officer/Economic Development Officers/Business Development Officers

Business Services Officer: Katie-Joy Sealhunter-Matoush
 Mistissini, QC, G0W 1C0
 418-923-2901, ext. 3410
 katie-joy.smatoush@cngov.ca
 commerce@cngov.ca

<p>Erica Moar Economic Development Officer Cree First Nation of Nemaska 32 Machishteweyah Street Nemaska, Quebec, J0Y 3B0 Tel: 819-673-2512 ext. Fax: 819-673-2542 Email: @nemaska.ca</p>	<p>Vacant Economic Development Officer Cree Nation of Washaw Sibi 141, Route 111 Ouest Amos, Quebec, J9T 2Y1 Tel: 819-732-9409 Fax: 819-732-9635 Email:</p>
<p>Andrew Coon Coordinator of Economic Development Cree Nation of Mistissini 187 Main Street Mistissini, Quebec, G0W 1C0 Tel: (418) 923-3461 ext. 1219 Cell: 418-770-6353 Fax: (418) 923-3115 Email: aconon@mistissini.ca</p>	<p>Sidney Orr Economic Development Officer Cree Nation of Whapmagoostui PO Box 390 Whapmagoostui, Quebec J0M 1G0 Tel: 819-929-3384 Cell: 873-965-0412 Fax: 819-929-3203 Email: sidneyorr@whapmagoostuifn.ca EDO@whapmagoostuifn.ca</p>
<p>Elvis Weapenicappo Economic Development Officer Cree Nation of Eastmain P.O. Box 90 Eastmain, Quebec, J0M 1W0 Tel: 819-977-0211 Fax: 819-855-3374 Email: eweapenicappo@eastmain.ca</p>	<p>Jacob Ottereyes Director of Economic Development Cree Nation of Waswanipi 1 Chief Louis Gull Waswanipi, Quebec, J0Y 3C0 Tel: 819-753-2587 ext. 321 Fax: 819-753-2555 Email: jacob.ottereyes@cfnw.ca</p>
<p>Anderson Jolly (interim) Interim Economic Development Officer Cree Nation of Chisasibi Chisasibi, Quebec, J0M 1E0 Tel: 819-855-3380 ext. 502 Fax: 819-855-2875 Email: edwardbearskin@chisasibi.ca</p>	<p>Melvin Wesley Business Development Manager Cree Nation of Waskaganish P.O. Box 60 Waskaganish, Quebec, J0M 1R0 Tel: 819-895-8650 ext. 3277 Fax: 819-895-8901 Email: Melvin.wesley@waskaganish.ca</p>
<p>Harry Bosum Economic Development Officer Ouje-Bougoumou Cree Nation 207 Opemiska Meskino P.O. Box 1169 Ouje-Bougoumou, Quebec, G0W 3C0 Tel: 418-745-3911 Fax: 418-745-3544 Email: hbosum@ouje.ca</p>	<p>Drayden Mistacheesick Economic Development Officer Cree Nation of Wemindji 21 Hillside Drive P.O. Box 60 Wemindji, Quebec, J0M 1L0 Tel: 819-978-0264 Fax: 819-978-0258 Email: edo@wemindji.ca</p>