



ENTREPRENEUR EQUITY FUND

Purpose

The purpose of the Entrepreneur Equity Fund (EEF) is to enable and assist individual CAFN citizens to start, acquire, expand or improve business enterprises in the Yukon. You may propose to start a new business or purchase and operate an existing business.

The EEF aims to financially support CAFN citizens to pursue business activities by contributing to their equity in the venture. By contributing to equity, the Fund intends to help entrepreneurs lever additional financing from banks and other sources if required.

The EEF has three components to which eligible citizens may apply:

1. **Equity Matching** – provides 50% of eligible capital costs in a business venture, to a maximum of \$10,000 per applicant
2. **Business Studies** – provides 50% of eligible costs to prepare business plans or conduct feasibility and other studies related to a business venture, to a maximum of \$10,000 per applicant
3. **Trades & Crafts** – provides 50% of eligible capital costs to a maximum of \$500 per year to citizens who are self-employed in providing services or products for sale.

Additional information on these components is presented on the following pages.

Eligible Applicants

Applicants must meet the following criteria to be eligible to receive EEF funding:

1. Individual citizen of the Champagne and Aishihik First Nations (only one member of each household is eligible to apply)
2. A current resident of the Yukon Territory at least 18 years of age
3. Applicants must be in good standing with CAFN and all payables must be current
4. Applicants must not have received funds of \$10,000 from EEF during the past five years; they may apply for any amount that will bring the five-year revolving total of contributions to \$10,000
5. CAFN elected officials (Chief and Council members) and staff employed in the CAFN Economic Development Branch are not eligible to apply.

Eligible applicants will be judged (1) on their capability to manage the proposed venture and (2) on the overall merit of the business concept. Citizens who receive funding must assume an active role in the business venture; passive investments are not eligible.

1. Equity Matching

Applicants to the Equity Matching component may:

- Own an existing proprietorship or all or a portion of the shares of an incorporated business
- Be a member of a Limited Partnership or other informal partnership
- Be a full-time employee of CAFN (but not with Economic Development Branch); if this is your situation, be aware that you are required to take an active role in operating your business, and this requirement may conflict with holding a full-time job with CAFN.

1.1 Eligible Projects

1. The proposed business venture or activity must be based in the Yukon Territory.
2. Applicants to this component may propose to:
 - Establish a new business venture
 - Acquire an existing business venture, i.e. purchase the assets or shares
 - Purchase part ownership of an existing business corporation
 - Expand, diversify or upgrade an existing business through a capital investment.
3. Passive investments in a business venture are not eligible; the applicant is expected to be actively involved in operating the business.
4. Only one applicant per household will be eligible to apply for each project. Multiple applicants (NOT from the same household) may apply for assistance based on a single business venture (e.g. four applicants combine forces to start a sawmill) and each could be eligible for funding.

1.2 Eligible Costs

The EEF will pay 50% of eligible costs (defined below) to a maximum of \$10,000 per applicant. Applications seeking less than \$1,000 (that is, business equity is less than \$2,000) will not usually be considered. Applications seeking more than \$10,000 or less than \$1,000 may be considered in exceptional cases if, in the opinion of the Economic Development Branch, the proposal has potential to generate significant benefit to CAFN and/or its citizens.

Only capital costs are eligible. Only capital costs/expenditures will be eligible for a 50% contribution. “Capital” items used in a business are those that are used over a period of more than one year. Examples:

<i>Eligible capital costs:</i>	<i>NOT eligible:</i>
<ul style="list-style-type: none">• Buildings built, acquired or renovated for business purposes• Leasehold improvements• Tools and equipment• Furnishings and fixtures• Computer equipment	<ul style="list-style-type: none">• Purchase of land (land improvements are eligible)• Wages paid to employees working in the business• Business operating costs, e.g. rent, utilities, supplies• Goods purchased for resale or inventory• Supplies used in the manufacture of goods for sale• Working capital and “sweat equity”

2. Business Studies

Applicants to the Business Studies component may:

- Own an existing proprietorship or all or a portion of the shares of an incorporated business
- Be a member of a Limited Partnership or other informal partnership
- Have no ownership of any business venture whatsoever
- Be a full-time employee of CAFN (but not with Economic Development Branch)

Applicants may propose to carry out a:

- Feasibility or business planning study
- Market study, research or assessment
- Research into a technical aspect of a business, e.g. product design or engineering
- Engineering design or architectural study

The intent of this component is to serve as a secondary or complementary source and not as a primary source of funding for business studies. Other programs (such as the Aboriginal Business Development Program or ABDP) are available to CAFN citizens for this purpose. CAFN citizens considering an application to EEF are expected to apply to ABDP and other available programs before approaching EEF. Applicants are expected to contribute at least 25% of the study cost.

Applicants should include with their application:

- A terms of reference for the proposed study
- At least one proposal and cost estimate from a consultant prepared to undertake the work
- Details of any other funding acquired or contemplated, such as from ABDP.

3. Trades & Crafts

People working in crafts or as self-employed contractors may claim 50% of their expenditures for tools, equipment, and other capital items required for their work, to a maximum of \$500 each year. Applicants must demonstrate that their products or services are a business venture, that is, they are sold or have a reasonable chance of being sold. Funds are not intended to support hobbies. An applicant may claim assistance for each expenditure from only one CAFN program, e.g. items claimed under Traditional Activities Protection Act are not eligible under this program.

Eligible applicants include but are not limited to:

- Craftspeople and artists who produce products for sale
- Tradespeople such as mechanics, plumbers or electricians
- Woodcutters, trappers
- Handyman or repair service people

The following people are NOT eligible for Trades & Crafts assistance:

- Professionals such as doctors, lawyers, engineers or accountants
- People employed in full-time jobs in their trade; e.g. a mechanic employed full-time in a local garage is not eligible to claim his tools, but a self-employed mechanic with his own repair shop is eligible.

Full-time employees of CAFN, and full-time employees working for other employers, are eligible for this component, so long as the assistance is not related to their full-time job. For example:

- A CAFN finance clerk who does moose hair tufting in her spare time can claim for tools and equipment needed for this work (but not for the materials used in the artwork)
- A CAFN housing maintenance worker cannot claim for tools he uses on that job, but could claim for tools he uses in his wood carving craft venture
- A mechanic employed full-time in a local garage runs a trapline on weekends and can claim for expenditures on traps, tools or a snow machine.

Procedure

1. *Submit a completed application form.*

Applicants may submit applications to Economic Development Branch in hard copy or electronic format. Information and any supporting documents must be complete before a decision can be made. A Business Development Officer (BDO) will determine if you are eligible, and if a business plan is required. Business plans are not required for *Trades & Crafts* or *Business Studies* applications, so a decision will usually be made promptly after you submit your application for either of these components.

2. *Prepare a business plan if one is required.*

Business plans are required for EQUITY MATCHING projects that:

- Seek \$5,000 or more; or
- Involve significant questions about the viability of the proposed business venture.

The BDO will tell you the main questions you need to address in your business plan. The BDO can also give you information about business planning but can NOT prepare your business plan. When the business plan is complete, it will be reviewed by the BDO and others in the Economic Development Branch. You will be notified of their decision about whether your application is accepted.

3. *Arrange for payment.*

If your Equity Matching application is approved, you will need to sign a “Contribution Agreement” that describes the amount of the payment as well as standard terms and conditions. Generally, payment is made after you submit original receipts for your eligible expenditures. Payment can also be made directly to your suppliers or contractors if you prefer (this means you do not have to pay 100% of the costs up front).

4. *Launch and operate your business venture.*

As you implement your business venture, the BDO will contact you to ensure you have received the funds, check on your progress, and see if you require any further assistance. For example, you might want help in setting up your bookkeeping system or filling out various forms for government agencies. You can use the BDO as an ongoing source of help and advice as you operate your business.

Good luck with your business venture!

EEF Application Form

1. Personal Information

Surname	Given Names
Sex M / F Date of birth	Place of birth
Mailing address	
Place of residence (if different than mailing address)	Length of time at this residence
Telephone Home / Business	Facsimile Email

2. Are you a citizen of the Champagne and Aishihik First Nations?	Yes / No
3. Do you currently owe any monies to CAFN? If YES, provide details below.	Yes / No
4. Are you currently employed (full-time or part-time)? <i>If YES, who is your employer?</i>	Yes / No

5. Do you currently own a business? If YES, briefly describe the business:	Yes / No
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6. What are you proposing to do?			
Establish a new business venture	<input type="checkbox"/>	Expand, diversify or upgrade an existing business	<input type="checkbox"/>
Acquire an existing business venture	<input type="checkbox"/>	Carry out a business study	<input type="checkbox"/>
Purchase part ownership of an existing business	<input type="checkbox"/>		

7. Describe in more detail what you propose to do, OR attach a business plan or other documentation	<input type="checkbox"/>
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8. How much do you plan to invest in this project? How will the money be spent?	
<i>Breakdown of Expected Expenditures</i>	<i>Amount</i>

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I declare that the information disclosed in this application is true and complete. I hereby authorize CAFN to:
 (1) Disclose personal information about me to the Economic Development Branch in connection with this application; and
 (2) Report summary information about me and my project for purposes of public information and reporting.

Applicant Signature:

CRAFTS & TRADES Application Form

1. Personal Information

Surname	Given Names
Sex M / F Date of birth	Place of birth
Mailing address	
Place of residence (if different than mailing address)	Length of time at this residence
Telephone Home / Business	Facsimile Email

2. Are you a citizen of the Champagne and Aishihik First Nations?	Yes / No
3. Do you currently owe any monies to CAFN? If YES, provide details below.	Yes / No
4. Are you currently employed (full-time or part-time)? <i>If YES, who is your employer?</i>	Yes / No

5. Describe your craft or trade:

6. Approximately how much money did you earn through this craft/trade in the past year?

7. How much EEF contribution are you claiming?

Describe your Expenditures

Amount

I declare that the information disclosed in this application is true and complete. I hereby authorize CAFN to:
 (1) Disclose personal information about me to the Economic Development Branch in connection with this application; and
 (2) Report summary information about me and my project for purposes of public information and reporting.

Applicant Signature:

FOR OFFICE USE ONLY

