

NON-REPAYABLE “BUSINESS EQUITY CONTRIBUTION FUND”



The Louis Riel Capital Corporation (LRCC) Business Equity Contribution Fund is aimed at entrepreneurs that need financial assistance to mobilize their business to the next step of being a reality.

WHO IS ELIGIBLE?

Métis, Inuit and Non-Status Aboriginal people residing in Manitoba.

A business that has a minimum of 51% Aboriginal ownership (Metis, Non-Status or Inuit - individually or combined).

Proof of Aboriginal heritage will be required to determine eligibility. For Non-Status Aboriginal applicants will be required to complete an Aboriginal Declaration form signed by a Commissionaire of Oath.

The proposed or existing business must operate full-time and result in job creation in Manitoba. The applicant or majority shareholder must actively involved in the business on a day-to-day basis.

The intent of the program is to act as an “equity-builder” for those entrepreneurs who have a limited amount of cash to invest but need more financing in the form of equity to attract third-party commercial financing. As a result, each applicant is assessed against a needs-test.

WHAT IS ELIGIBLE?

Cost that may qualify for funding include but are not limited to leasehold improvements and capital costs related to starting or expanding a business

Marketing costs for an exterior sign is considered a capital items and maybe be eligible for up to 30% of the start-up costs. Other marketing initiative such as promotional materials, trade shows fees, related conferences, business cards, website, brochures are eligible up to 60% of the costs for the first year six months of operations only.

Service vehicles may be considered on a case-by-case basis and only a cargo van or cube van may be considered eligible.

WHAT IS NOT ELIGIBLE?

Businesses such as bars (alcohol provider), gambling (VLTs), sexually exploitive in nature, pawnshops, payday loans, tobacco retailer or manufacturer, etc. are not allowed.

No passive investments: (i.e. real estate, apartment building or complexes or a business that someone else is managing for the owner).

A contribution towards an asset that can be perceived to be for personal use, such as a car or pick-up truck, will not be made.

Using the grant program to replace aging or worn-out equipment with new equipment.

FUNDING

Maximum contribution towards a business for an individual is \$99,999 and \$250,000 for a community-based (i.e. no-shareholders) business.

The entrepreneur must make a cash investment in the business of no less than 10% of the eligible start-up capital costs.

Under the Business Equity Contribution Fund, the LRCC may provide a non-repayable grant of generally for the following components:

- Up to 30% of eligible Capital Costs
- Up to 60% of eligible Marketing Costs
- Up to 75% of eligible Business Support Costs*

(*legal and/or bookkeeping services - first year only, environmental study, business evaluation of an existing business and/or to hire an external consultant to prepare a business plan. Other condition will apply).

CONDITIONS

- If there is a partnership, the Aboriginal partner must be at least 51% owner, and the contribution amount will be proportionate towards the Aboriginal ownership portion.
- If a married or common-law couple own the business and only one is Aboriginal, the Aboriginal person must be integral to the business and the contribution will be no more than one-half of the maximum for capital costs.
- There is a control period of three years. During this control period, financial statements must be prepared and a report outlining the economic benefits of their project (i.e. Jobs created) annually. The recipient cannot access the funding program again until the control period has been completed. Repeat applicants can expect reduced funding levels.
- The applicant will be required to reimburse the LRCC for selling assets financed by Business Equity Contribution Fund within the first 3 years of operations.
- LRCC will not contribute to a business that is likely to create an income of less than \$15,000 per year.
- There must be a “net benefit” to the program in terms of jobs being created.
- LRCC funding, when combined with other provincial and federal government funding will generally not exceed 50% of eligible costs.
- A proposed new business to be funded under the Business Equity Contribution Fund should not unreasonably impact existing Manitoba businesses.
- Quotes for equipment and tools is required.
- A quote for consulting (business plan or business valuation) & bookkeeping services is required with the application.
- A business plan is required with the application.
- Costs incurred prior to LRCC’s receipt of an application will not be eligible for funding.

APPLICATION PROCESS

Please allow up to 6-8 weeks for processing an application once we receive all the necessary documentation.

CONTACT

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