

POLICY

INDUSTRY, TOURISM AND INVESTMENT

ITI-04

GRANTS TO SMALL BUSINESS

POLICY STATEMENT

The Department of Industry, Tourism and Investment supports and encourages the development of viable businesses in the Northwest Territories.

It also recognizes that small businesses which employ others, self employed entrepreneurs, arts and crafts producers or commercial renewable resource harvesters are an important source of community economic activity which normal business funding programs may not adequately address.

To that end the Department of Industry, Tourism and Investment may provide financial assistance, in the form of small grants to offset some of the costs incurred by small Northwest Territories businesses.

Minister of Industry, Tourism and Investment

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SCOPE

All small businesses, as defined in this Policy, are eligible for assistance.

DEFINITIONS

1. Grant

A grant is an unconditional transfer payment made to a recipient, for which the government will not receive any goods or services.

2. Northwest Territories Business

For the purposes of this Policy, a "Northwest Territories business" is defined as:

- (a) A corporation registered and in good standing under the *Northwest Territories Companies Act*; or
- (b) A cooperative association in good standing under the *Cooperative Associations Act*; or
- (c) A partnership or sole proprietorship duly registered and in good standing with a Northwest Territories municipality or the Department of Justice, Legal Registries Division, and a holder of a valid Northwest Territories municipal business license.

3. Artist or Craftsperson

An individual engaged in sewing or knitting, printmaking, jewelry making, carving or sculpting, weaving, painting, performing arts, or similar activities.

4. Renewable Resource Harvester

An individual who harvests renewable resources for income including hunting, fishing, logging, agriculture or similar activities.

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5. Small Business

For the purposes of this Policy, a small business is defined as:

- (a) A Northwest Territories Business with less than \$500,000 in gross sales; or
- (b) An artist or craftsperson who makes all or part of their income through the sale of products they produce or plan to produce; or
- (c) A licensed or otherwise authorized renewable resource harvester who earns part or all of their income from the sale of renewable resource products they harvest, or plan to harvest, from available commercial quotas, agriculture, forest products, or similar sources.

PROVISIONS

1. Authority and Accountability

- (a) The Minister of Industry, Tourism and Investment may:
 - (i) Approve grants to a maximum of five thousand dollars;
 - (ii) Delegate authority to approve grants to the Deputy Minister of Industry, Tourism and Investment.
- (b) The Deputy Minister may, through a letter of instruction, delegate authority to approve grants to the Assistant Deputy Ministers and the Regional Superintendents of Industry, Tourism and Investment.
- (c) Both the Assistant Deputy Ministers and Regional Superintendents may provide grants to eligible businesses within the limits of the authority delegated to them and Regional Superintendents will provide to the Deputy Minister an annual report on the grants provided under this Policy, including a list of the recipients and purpose for which funds were provided.

2. Eligibility

Eligibility is restricted to small businesses as defined in this policy.

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3. Purpose of Funding

Grants to small businesses may be provided for two purposes:

- (a) To assist them in overcoming immediate problems involving legal or accounting expenses or to assist with required minor capital expenditures or extraordinary costs which, if not provided, may threaten the continued viability of the business.

Minor capital items may also be funded where required and beneficial and where other sources of funding are unavailable.

- (b) Grants may be provided to arts and crafts producers and renewable resource harvesters, who meet eligibility requirements, for the purchase of tools and equipment to assist them in increasing their level or quality of production and income.

4. General Conditions

- (a) The meeting of eligibility criteria for this Policy, in and of itself, does not guarantee subsequent approval of financial support.

(b) Grant applicants must:

- (i) Demonstrate need and potential benefits to be gained;
- (ii) Demonstrate a commitment to the future of the business or proposed undertaking.

(c) Small businesses may apply more than once subject to the following:

- (i) The cumulative total financial assistance awarded to any applicant within the life of this Policy will be limited to a maximum of five thousand dollars, and
- (ii) Grants will not normally be provided to replace small tools or equipment originally purchased through grants from this Policy or other contribution programs.

(d) Available funds are limited. Preference will be based on employment or income provided by the proposed activity.

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5. Applications

Applications for financial assistance will include:

- (a) An indication of need, including disclosure of any other funding to be applied for or received;
- (b) A demonstration of commitment to the future of the business activity;
- (c) An estimation of the expected, income and employment benefits;
- (d) Cost quotations for goods or services to be purchased;
- (e) Any other information related to the proposal requested by the Regional Superintendent.

7. Payment

Any payments made under this Policy or Directive are conditional on approval of funds in the Main Estimates by the Legislative Assembly, and there being sufficient unencumbered balance in the appropriate activities for the fiscal year for which the funds would be required. Grants will normally be made as a lump sum payment on approval of the application.

8. Term

This is an ongoing program

9. Prerogative of the Minister

Nothing in this Policy shall in any way be construed to limit the prerogative of the Minister to make decisions or take actions respecting the provision of financial assistance for business development in the Northwest Territories, outside the provisions of this Policy.

Minister of Industry, Tourism and Investment