

# BURNS LAKE NATIVE DEVELOPMENT CORPORATION

**(B.L.N.D.C.)**

P.O. Box 1030  
Burns Lake, BC. V0J 1E0

**FINANCIAL SERVICES INFORMATION**

**And**

**SMALL BUSINESS FUNDING APPLICATION**

Revised: (2003)

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## INTRODUCTION



Dear Applicant,

Welcome to BLNDC's financial services. The following presentation is intended to help you understand our guidelines and gather the necessary information for us to process your financial requests as quickly and easily as possible.

There are two parts;

**PART A: APPLICATION INFORMATION** highlights our objectives, types of financial services available, eligibility and application procedures.

**PART B: FUNDING APPLICATION** collects the basic information about you and your project so we can begin the process of helping you get your business underway.

**Schedule "A"      Declaration Agreement**

**Schedule "B"      Declaration Agreement Aboriginal Business Youth Loan**

**Should you have any questions, please give us a call at 250-692-3188**

BLNDC Staff

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## PART A.

## APPLICATION INFORMATION

### BLNDC'S FINANCE SERVICES

#### BLNDC's principal objective is:

- To help finance and develop long term profitable business projects which create Native employment opportunities.

#### TYPES OF ASSISTANCE

#### BLNDC provides assistance in the form of:

- BLNDC Business Loans
- Creating business plans
- Business counselling
- Business mentoring and support
- Aboriginal Business Youth Program
- Aboriginal Business Development Program
- Community Economic Development Assistance
- Accessing alternative sources of funding (FCF & A.B.C.)
- Post loan counselling
- Financial, marketing, managerial and technical support
- Entrepreneurship Workshops and Training
- Use of Laptop Computers to develop Business Plans

#### LOAN CHARACTERISTICS

Amounts.....starting at \$1000  
.....NACCA Matching Equity Loan \$1500  
Terms .....up to ½ expecting life span of secured assets  
Repayment .....as agreed upon  
Security .....From 125% to 200% recoverable value of pledged assets  
Costs.....interest at prime plus 2% - 4% fees as applicable  
- legal costs of registering and reviewing security documents  
- appraisal costs for used assets pledged as security  
*(Passive investments are ineligible)*

**LOAN ELIGIBILITY AND ASSESSMENT CHECKLIST**

**If you are seeking a loan, are you...**

- 19 years or over? ( )
- Of Native ancestry? ( )
- A resident of the Lakes District for the past 12 months? ( )
- Worked at least 12 consecutive months within the last 24 months? ( )
- Willing to invest at least 20% of project costs in cash? ( )
- Knowledgeable, experienced and committed to your proposal? ( )
- Committed to improve your management capabilities in order to succeed? ( )

- or -

**Are you a Band, business, society, or group with an eligible project, sufficient equity, loan security and required management capabilities? ( )**

**If you are seeking equity financing, are you....**

- A respected entrepreneur? ( )
- Successful in a related business? ( )
- A good business manager? ( )
- Experienced in markets with distribution contacts? ( )
- Willing to set up operations within BLNDC's service area? ( )
- Capable of making an equity investment? ( )

**\*\* Because of conflict of interest guidelines\*\***  
*BLNDC directors, employees and members of their immediate families are ineligible for financial assistance*

## APPLICATION: ELIGIBILITY CHECKLIST

### WHAT LENDERS LOOK FOR:

Capable of producing a commercially acceptable rate of return within 3 years? ( )

Economically viable in the long term? (Seasonal and part time projects are eligible but social, charitable and short term projects are not). ( )

Going to be your occupation as a “hands on” rather than as an “absentee” owner? ( )

In an industry with growth potential? ( )

One with an image of high quality standards? ( )

Going to be located in central B.C.? ( )

Going to create permanent Native employment opportunities? ( )

## HOW TO APPLY

**STEP 1** If you have an idea for a business project, please come in to discuss its viability with a BLNDC Small Business Development Officer.

**STEP 2** Complete this application form and return it to BLNDC.

**STEP 3** With guidance from a BLNDC Small Business Development Officer; prepare a well thought out business plan.

**\*\* BEGIN EARLY\*\***

*Creating a sound business plan takes a lot of time and hard work*

## HOW YOUR APPLICATION IS PROCESSED

1. Completed applications are assessed by BLNDC's economic development staff.
2. Final consideration comes from the BLNDC Board of Director and is usually given within 1 month of completing an application. (Directors are representatives from BLNDC communities).
3. Conditional approvals can be made dependent upon receipt of funds from other sources i.e., a bank, credit union, trust company, ABC, FCF and Community Futures.
4. Once approval by the Board of Directors, the General Manager will detail the terms and conditions of the funding and disbursement in a letter of offer or agreement.
5. Rejected applicants are informed of reasons for rejection and requirements needed to reactivate the application.
6. Where an application has been rejected or a collection action has been initiated against a loan client, and the applicant/client feels the reasons for such were based on inaccurate or incomplete information, a written appeal stating the correct or additional information should be directed to the General Manager within 30 days of being advised of the rejection or collection action.
7. Where a repossession order has been initiated against a loan client, and the client feels additional extenuating circumstances should have been considered, a written appeal should be made describing those circumstances and directed to the General Manager within 2 days of being served with the repossession order.

**THE** Indian Act says "the real and personal property of an Indian or band's situated on a reserve is not subject to ..... mortgage, ..... [or] seizure .... in favor of any person other than an Indian or a band."

**IF** your project is going to be located on reserve and you would like a loan, you must get a BCR expressing support for your project.

## LOAN EVALUATION CHECKLIST

### Application

- Completed application form and satisfied eligibility criteria? ( )
- In good standing with community? ( )
- Credit rating checked and found satisfactory? ( )
- Lack of conflict of interest with BLNDC directors and staff? ( )

### Project

- *Management Capabilities*
  - Personal commitment, managerial and technical skills? ( )
- *Market Assessment*
  - Proof of assessable market and attain sufficient market share? ( )
- *Equity*
  - Required equity level met? 20% Cash and 125% Collateral? ( )
- *Loan security*
  - Fully secured by registered charges against business and personal property? ( )
  - Are the business assets insured? We need copy of insurance. ( )
  - If pledged assets are to be located on reserve, is there a Band guarantee of legal enforceability or security agreement of Ministerial Guarantee? ( )
- *Financial Analysis*
  - Realistic revenue projections? ( )
  - Projected cash flow sufficient to meet monthly obligations? ( )
  - Sufficiently profitable? ( )
- *Other*
  - Sufficient native employment creation? ( )
  - If located on reserve, a BCR or Chief & Council letter of support? ( )



**PART B. FUNDING APPLICATION**

**PERSONAL**

First Middle Last DATE; \_\_\_\_\_  
LEGAL NAME \_\_\_\_\_  
STREET ADDRESS \_\_\_\_\_ MAILING ADDRESS \_\_\_\_\_  
CITY/TOWN \_\_\_\_\_ PROV: \_\_\_\_\_ POSTAL CODE \_\_\_\_\_  
OPERATING NAME IF DIFFERENT FROM ABOVE \_\_\_\_\_  
CITY/TOWN \_\_\_\_\_ PROV: \_\_\_\_\_ POSTAL CODE \_\_\_\_\_  
BAND NAME \_\_\_\_\_ STATUS CARD REGISTRY NUMBER \_\_\_\_\_  
PHONE (WK) \_\_\_\_\_ HOME \_\_\_\_\_ S.I.N.# \_\_\_\_\_  
AGE 19+ Y \_\_\_ N \_\_\_ BIRTH DATE \_\_\_\_\_ DRIVER LICENSE # \_\_\_\_\_  
MARITAL STATUS \_\_\_\_\_ DEPENDANTS \_\_\_\_\_ SPOUSE'S NAME \_\_\_\_\_  
SPOUSE'S BIRTHDATE \_\_\_\_\_ SPOUSE'S S.I.N. \_\_\_\_\_  
SOURCE OF INCOME: \_\_\_\_\_ OCCUPATION: \_\_\_\_\_  
ABORIGINAL ANCESTRY? Y \_\_\_ N \_\_\_ SPOUSE'S BAND NAME \_\_\_\_\_  
WORKED 12 + CONSECUTIVE MONTHS IN THE PAST 2 YEARS? Y \_\_\_ N \_\_\_  
LAST GRADE COMPLETED: \_\_\_\_\_  
BUS. STRUCTURE: PROPRIETORSHIP: \_\_\_\_\_ PARTNERSHIP: \_\_\_\_\_ JOINT VENTURE \_\_\_\_\_  
DO YOU HAVE 51% OWNERSHIP% Y \_\_\_ N \_\_\_ DO YOU HAVE 20 % CASH EQUITY? Y \_\_\_ N \_\_\_

**CO-APPLICANT:** First Middle Last  
LEGAL NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
CITY/TOWN: \_\_\_\_\_ PROVINCE: \_\_\_\_\_ POSTAL CODE: \_\_\_\_\_  
OPERATING NAME IF DIFFERENT FROM ABOVE: \_\_\_\_\_  
MAILING ADDRESS: \_\_\_\_\_  
CITY/TOWN: \_\_\_\_\_ PROV: \_\_\_\_\_ POSTAL CODE: \_\_\_\_\_  
PHONE (WK): \_\_\_\_\_ (HOME): \_\_\_\_\_ S.I.N.#: \_\_\_\_\_  
AGE 19+ Y \_\_\_ N \_\_\_ BIRTHDATE: \_\_\_\_\_ DRIVER LICENSE: \_\_\_\_\_  
MARITAL STATUS: \_\_\_\_\_ DEPENDANTS: \_\_\_\_\_ SPOUSE'S NAME: \_\_\_\_\_  
SPOUSE'S BIRTHDATE: \_\_\_\_\_ SPOUSE'S S.I.N. # \_\_\_\_\_  
SOURCE OF INCOME: \_\_\_\_\_  
ABORIGINAL ANCESTRY? Y \_\_\_ N \_\_\_ BAND NAME \_\_\_\_\_  
WORKED 12+ CONSECUTIVE MONTHS IN THE PAST 2 YEARS? Y \_\_\_ N \_\_\_  
ASSISTING ECONOMIC DEVELOPMENT OFFICER'S NAME: \_\_\_\_\_

**Name and addresses of 2 current references**

- 1) \_\_\_\_\_ ( ) \_\_\_\_\_
- 2) \_\_\_\_\_ ( ) \_\_\_\_\_

# EMPLOYMENT

Please indicate most recent work experience

EMPLOYEE \_\_\_\_\_  
ADDRESS \_\_\_\_\_ PHONE \_\_\_\_\_  
FROM \_\_\_\_\_ TO \_\_\_\_\_ SALARY \$ \_\_\_\_\_  
SUPERVISOR \_\_\_\_\_ TITLE \_\_\_\_\_  
RESPONSIBILITIES \_\_\_\_\_

EMPLOYEE \_\_\_\_\_  
ADDRESS \_\_\_\_\_ PHONE \_\_\_\_\_  
FROM \_\_\_\_\_ TO \_\_\_\_\_ SALARY \$ \_\_\_\_\_  
SUPERVISOR \_\_\_\_\_ TITLE \_\_\_\_\_  
RESPONSIBILITIES \_\_\_\_\_  
REASON FOR LEAVING \_\_\_\_\_  
OCCUPATION: STUDENT \_\_\_\_\_ EMPLOYED \_\_\_\_\_ UNEMPLOYED \_\_\_\_\_

## EDUCATION

LAST GRADE COMPLETED: \_\_\_\_\_

DESCRIBE THE BUSINESS SKILLS AND EXPERIENCE YOU HAVE IN OPERATING THIS BUSINESS.

LIST ANY CERTIFICATES YOU HAVE

REASON FOR LEAVING \_\_\_\_\_

(Use another sheet if more space is required)

# PERSONAL FINANCE

## MONTHLY INCOME STATEMENT

INCOME/MONTH	
Salary, wages, etc	\$
Interest, dividends	
Rentals	
Business	
Other	
<b>TOTAL</b>	

EXPENSE/MONTH	
Living Expenses	\$
Rent, Mortgage	
Other Loans	
Income taxes	
Credit Cards	
Vehicle Payments	
Other	
<b>TOTAL</b>	

BANK & BRANCH \_\_\_\_\_

BANK & BRANCH \_\_\_\_\_

HAVE YOU CO-SIGNED OR GUARANTEED PAYMENTS FOR OTHER PEOPLE?    Y ( )    N ( )    IF YES, PLEASE

PROVIDE DETAILS \_\_\_\_\_

ARE THERE ANY JUDGEMENTS OR LEGAL PROCEEDINGS AGAINST YOU?    Y ( )    N ( )    IF YES, PLEASE

PROVIDE DETAILS \_\_\_\_\_

HAVE YOU PREVIOUSLY BORROWED FROM OTHER FINANCIAL INSTITUTES?    Y ( )    N ( )    IF YES, PLEASE

PROVIDE DETAILS \_\_\_\_\_

**SUMMARY OF NET WORTH**

<b>ASSETS</b>	<i>Market Value</i>	<b>TOTAL</b>
Real Estate owned	\$ _____ _____	
Vehicles - year, make, Serial #	_____ _____ _____	_____
Savings – eg. Bank accts.	_____ _____	_____
Other Investments	_____ _____	_____
<i>(A) Total</i>	TOTAL Assets	\$ _____ _____
 <b>LIABILITIES</b>		
Mortgage	\$ _____ _____	
Loan outstanding (eg. car, personal)	_____ _____	_____
Charge accounts (eg. credit cards)	_____ _____	_____
Other accounts owing	_____ _____	_____
<i>(B) Total</i>	TOTAL Liabilities	\$ _____ _____
 <b>NET WORTH</b>	 <b>(A - B)</b>	 \$ _____ _____

## PROJECT

Briefly describe your project; market location and why you believe the project will be profitable.

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### COSTS AND FINANCING

#### PROJECT COSTS

Land	
Building	
Equipment	
Other	
<b>TOTAL</b>	

#### PROJECT FINANCING

Equity, applicant's \$	
Loans, (other)	
<b>TOTAL</b>	

### EMPLOYMENT CREATION

	ABORIGINAL		NON-ABORIGINAL
Full time		Full time	
Part time		Part time	
Seasonal		Seasonal	



**Schedule "B"    Aboriginal Business Youth Loan Declaration of Applicant**

If you are applying for an Aboriginal Business Youth Loan or services under the NACCA program and a minor please complete the following schedule:

I/WE CERTIFY THAT ACCORDING TO MY/OUR KNOWLEDGE THAT:

- a) At least 51% of the owner-operators of the proposed business venture are Native Youth that reside in the Lakes District of British Columbia; and
- b) The information contained in this application under the Aboriginal Business Youth Loan Program is true and correct.
- c) I/We hereby authorize BLNDC and/or the lending officer to investigate and discuss the information contained in this application to other persons, public or private such as personal or credit as may be required for the evaluation of this application. I/We also grant BLNDC and any government, public or private organization the use of this information to make public and promote information as it relates to the funding of this initiative.

I/We acknowledge that;

- a) I/We understand that any deferred contribution (partially or other) is dependant upon partial repayment of the loan as set out in the terms and conditions of the agreement and any default to those terms and repayment conditions may constitute non-eligibility of a deferred contribution as set out in the signed loan agreement.
- b) The Aboriginal Business Youth Loan program is not assumable or transferable by anyone purchasing the business.
- c) Any deferred contribution or loans outstanding must be repaid immediately upon sale of the business if the business is sold prior to the expiration date of the loan agreement or as set out in the terms and conditions of the loan agreement.

\_\_\_\_\_  
Legal Name of Authorized Signatory

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date