

LEECH LAKE BAND OF OJIBWE

Small Business Development Fund (SBDF)

Program Purpose:

The purpose of the Small Business Development Fund (SBDF) is to maximize the potential of Leech Lake Band member entrepreneurs by providing services and financial support that complement and expand their business opportunities, business start-ups or the expansion of an existing business. The SBDF is established to promote self-sufficiency and improve the quality of life for Band members while diversifying the Leech Lake Band of Ojibwe's economy.

Services Include:

Technical Assistance

Assist with business plan development, financial projections, management and operations, marketing and accounting needs.

Loan Program

Micro Loan - \$5,000 or less - small cottage industries

Macro Loan – Up to \$75,000

Note: Funds are not available for personal items or existing debt.

Eligibility Requirements

All enrolled Band members are eligible for SBDF services, with eligibility requirements as follows:

- The principal owner or applicant's enrollment status as a Leech Lake Band member must be verified.
- The business being started or expanded must be at least 60% owned, controlled and actively managed by the enrolled Band member.
- The business must be established on or near the Leech Lake Indian Reservation (Districts I, II, and III). Near the reservation means within a reasonable radius of a district and must service or patronize customer's on-reservation.
- Enrolled band member must be 20 years of age or older.
- Is a for-profit business.
- Must provide a comprehensive business plan for a macro loan, a business proposal for a micro loan and an updated business plan for an expansion loan.

Financing Requirements

- Loans cannot be used to refinance existing debt of a business or to pay any personal debt.
- Interest rate will be 4% simple interest.
- Terms of the loan will be negotiable according to the business cash flows, the borrower's needs, the success of the SBDF program, and consideration of the circulation of funds through the program.
- SBDF Loan Guidelines:

Large Loans (\$75,000 or less):

- Land and Buildings: Maximum term 15-20 years.
- Equipment and Machinery: seven years or expected life, whichever is shorter.
- Working capital: up to five years.

Micro Loans (\$5k or less): 12 to 18 months.

- Business insurance is required.
- Owner Contribution – Equity is required by the owner/borrower. The SBDF retains discretion to determine the amount of owner contribution required on a case-by-case basis.

For more information contact: Wally Storbakken, Economic Development Director (218) 335-3799